Reasons to Invest in Solomon Islands

Invest Solomon - Ministry of Commerce, Industry, Labour and Immigration

September 2025

invest solomons

5 Reasons to invest in Solomon Islands

#1

Solid and resilient economy

3rd largest in the Pacific, with steady growth, rapid forecast expansion, low unemployment and a controlled inflation, outperforming Pacific regional averages.

#2

Strategic export platform

Preferential access to over 2.9 billion consumers across 62 countries, combined with one of the world's largest Exclusive Economic Zones, provides potential for ocean-based industries.

#3

Strong policies, growing stability and clear investment opportunities

With notable improvements in peace and stability, Solomon Islands is backed by a robust legal framework and ranks among the Pacific's top policy performers. It also offers 60+ investable sites and attractive tax incentives.

#4

Competitive operational costs

2rd most competitive salaries, combined with moderate utility costs and a standard tax regime, positions Solomon Islands as an attractive business destination.

#5

Young, vibrant, and educated workforce

Solomon Islands hosts the Pacific's 3rd largest labor force, with the region's highest youth share (64% under 30), supported by rapid population growth and strong education spending, surpassing global and East Asia & Pacific averages.

#6

Top performer in environmental sustainability

Hosting a UNESCO World Heritage conservation site, managing 90% forest cover, and ranking among the world's lowest per capita CO_2 emitters, Solomon Islands sets a strong standard for green development.

invest solomons

Content

1. Who are we?
2. Emerging & dynamic economy
3. Strategic connectivity with preferential market access
4. business environment and tax incentives
5. Competitive operational costs
6. Young, vibrant and educated workforce
7. Environmental protection

1 | Who are we?

ABOUT US

Invest Solomons (formerly the Foreign Investment Division) operates under the Ministry of Commerce, Industry, Labour and Immigration (MCILI).
It is responsible for promoting, facilitating, registering, and monitoring foreign investment in Solomon Islands

01

Tailor-made information & market intelligence

We provide up-to-date and customized data on Solomon Islands' economy, sectors, and regulations to support informed investment decisions

02

Site visits and local linkages

We organize site visits and link investors with government agencies, suppliers, and service providers

03

Investor aftercare & policy advocacy

We help investors to address issues, expand, and stay engaged, while advocating for a better business environment

04

Foreign Investment Registration

We assist with investment registration, application reviews, and coordination to ensure smooth setup and access to incentives

Priority sectors with investment opportunities

Tourism development

- Accommodation / resorts
- Adventure services

Fisheries

- Aquiculture (ocean & land based / prawns & crustaceans)
- Offshore tuna capture
- Processing (loining, filleting & packing for export)

Agribusiness & forestry

- Coconut (copra), cocoa, coffee, vegetables and spices (farming & processing packing for export)
- Cattle, pigs, and chicken (farming & processing)
- Timber milling (local & export), carbon trading (sustainable revenue & conservation), and plantation

Manufacturing

- Food processing
- Garment (local market)
- Wooden toys (local market & exports), and furniture (export)
- Cosmetics (local market & export)

Mining

- Mineral prospecting and extraction

Solomon Islands at a glance

Independent since 1978 from the British protectorate. Capital Honiara

Parliamentary democracy under a constitutional monarchy (Commonwealth realm)

Island state in the Pacific with 27,986 Km² of territory, 5,313 Km of coastline and 1.58 million Km² of exclusive economic zone water

819,200 inhabitants

Solomon Islands Dollar as currency (US$1 = SBD$8.2 avg.)

English and Solomon Pidjin as official languages

Christian dominant religion (mainly protestant)

Tropical climate (hot & humid) all year. Warm season (November to March) and cool season (April to October)

Source: https://www.cia.gov/the-world-factbook/countries/solomon-islands/

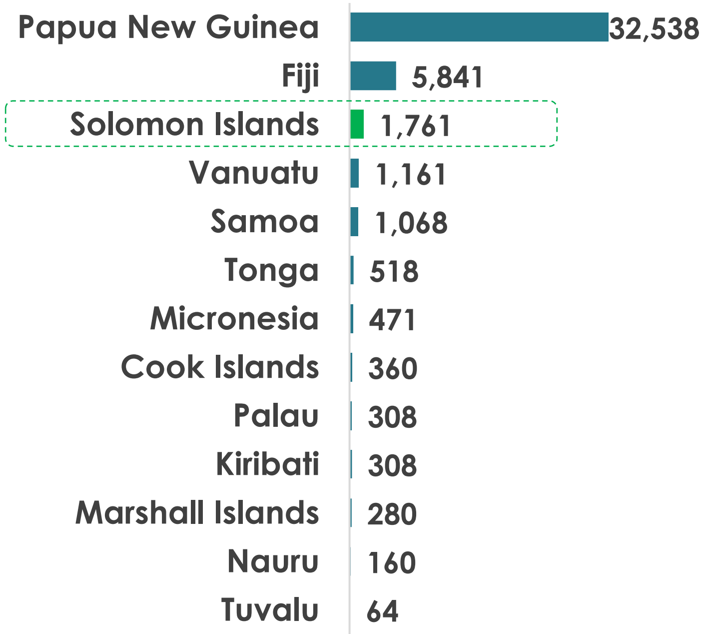
invest solomons

2 Emerging and dynamic economy

Large and resilient economy

- **Large economy:** With a GDP of US$1,761 million, Solomon Islands stands out as the 3rd largest economy among the Pacific Island States.
- **Steady performance:** During the last 5 years (2019-2024), Solomon achieved a yearly average growth rate of 1.3%, outperforming Pacific Island States (0.9%) average.
- **Rapid projected growth:** 2.7% GDP forecast for 2026, outpacing the average for Pacific Island States (2.5%) and the World (2.4%).

Pacific Island States GDP Size, 2024 (US$ Million)



GDP Growth %

2019-2024 Growth rate

- #1 World 2.5%
- #2 Solomon Islands 1.3%
- #3 Pacific Island States 0.9%

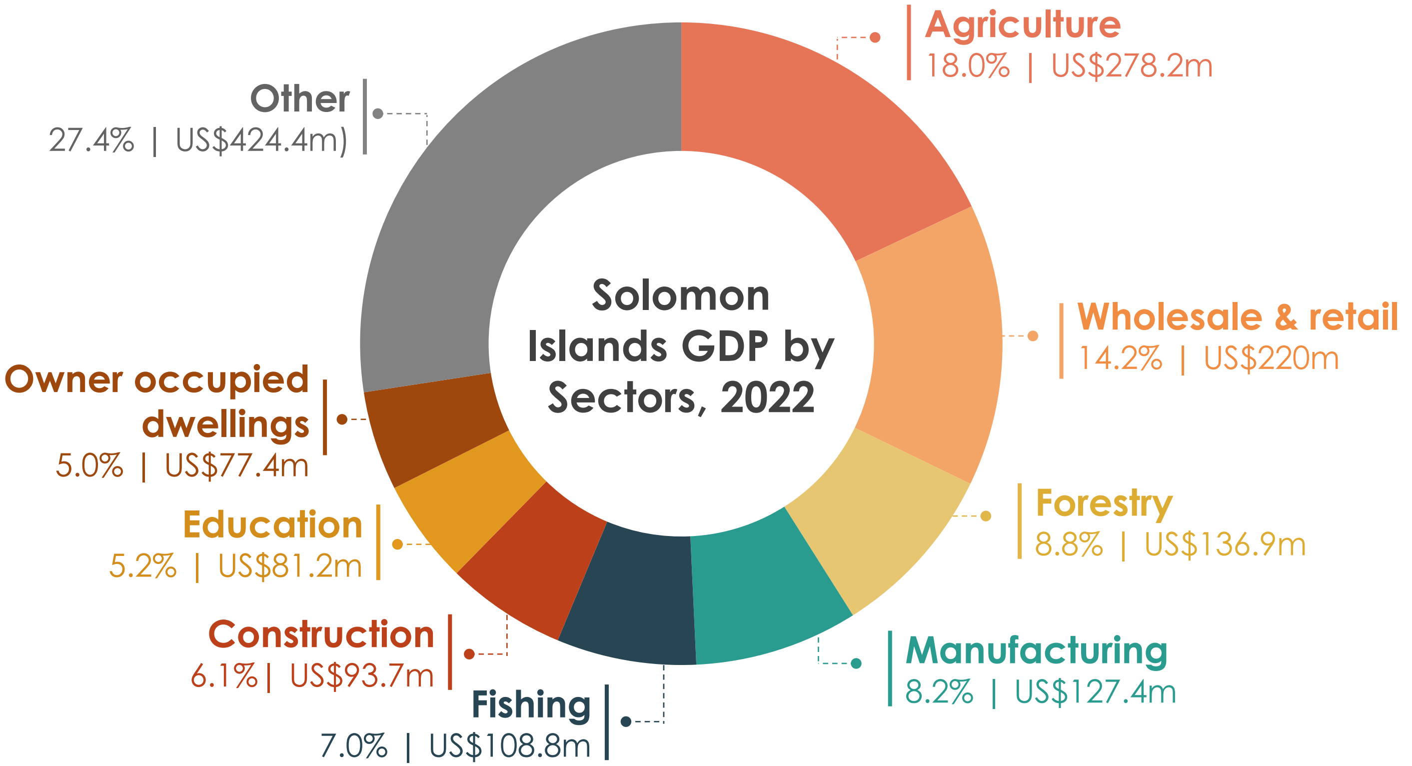
2026 Forecast growth

- #1 Solomon Islands 2.7%
- #2 Pacific Island States 2.5%
- #3 World 2.4%

Note: GDP size at current USD prices; growth at constant prices (2015)
Source: World Bank (https://databank.worldbank.org/source/world-development-indicators)

Resilient and diversified economy

- **Diversified economy:** Agriculture, Wholesale & retail, and Forestry collectively contribute to over 40% of the GDP.
- **Service oriented economy:** Services is the leading macro-sector accounting for 47.3% of the GDP, followed by Agriculture, fisheries & forestry with 33.8% and Industry with 18.7%.



Other: Transport & storage 4.0%, Health 2.6%, Electricity & water 2.5%, Communications 2.3%, Hotel & restaurants 1.9%, Mining 1.9%, Other 5.4%.
Note: The estimated sectoral contributions to GDP may contain some inaccuracies due to the high level of informality in the economy and the fact that some payments are received as remittances.
Source: Central Bank of Solomon Islands (GDP at current prices) (https://www.cbsi.com.sb/domestic-economy/)

Emerging and dynamic economy

US$2,149 GDP per capita 2024
Considering it a lower-middle-income economy**

1.47% Unemployment rate 2024
Lower than World (4.89%), East Asia & Pacific (3.78%) and Pacific Island States (3.14%) averages

4.2% Inflation 2024
Lower than Pacific Island States (5.5%) average*

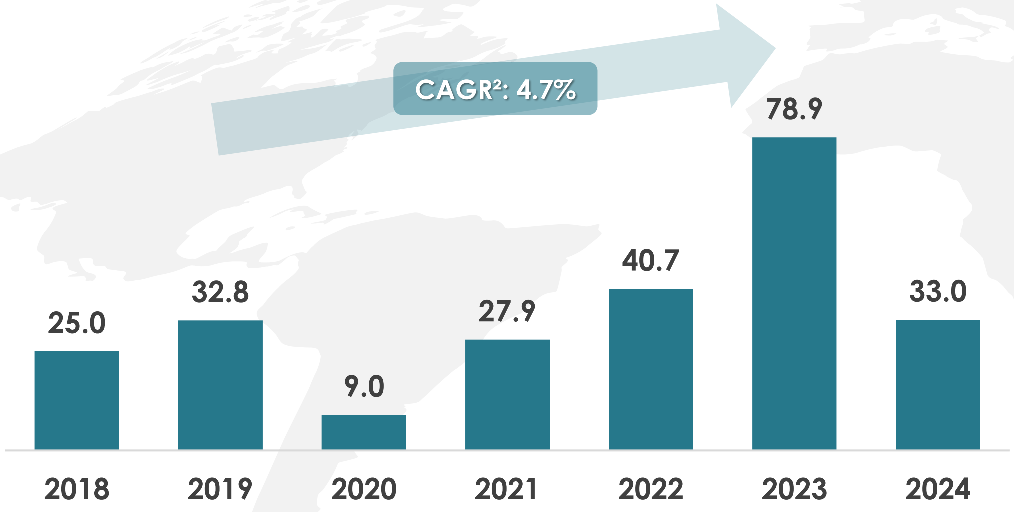
819.2K inhabitants 2024
With 64% under 30 years, exceeding Pacific island states (58.3%), the World (46.5%) and East Asia & Pacific (35.7%) averages

Note: GDP per capita at current USD prices. Inflation average consumer prices.
*Estimated by UN Department of Economic and Social Affairs.
**GDP per capita between US$1,136 – $4,495.
Source: The World Bank Database (https://databank.worldbank.org/source/world-development-indicators#); Solomon Islands National Statistics Office (https://statistics.gov.sb/category/statistics/economic-statistics/consumer-price-index/)

Foreign Direct Investment (FDI) in Solomon Islands

- **Steady growth with fluctuations:** Over the last 6 years, FDI flows in Solomon Islands has expanded on an average annual rate of 4.7%, peaking in 2023 at US$ 78.9 million despite fluctuations linked to external shocks like Covid19.
- **Leading investors:** China, Australia and Malaysia stand out as top 3 source of investment in the country, accounting over 60% of the certified projects.
- **Diversified sectors:** Retail & wholesaler, Professional services, and Construction emerged as the top 3 sectors receiving FDI in Solomon Islands, accounting for nearly half (49%) of the certified projects.

Foreign Direct Investment in Solomon Islands, 2018-2024 (US$ Million)



FDI by Country (by FIC[1]), 2018-2024

China	Australia	Malaysia
38.8% (222)	14.3% (82)	10.5% (60)
Bangladesh	**Fiji**	**Other**
9.8% (56)	3.1% (18)	23.4% (134)

FDI by Sector (by FIC[1]), 2018-2024

Retail & wholesaler	Prof. Services	Construction
30.5% (149)	9.8% (48)	9.0% (44)
Mining	**Entertainment & catering**	**Others**
8.8% (43)	5.1% (25)	34.6% (169)

[1] FIC: Number of Foreign Investment Certificates issued by the Foreign Investment Division of the Ministry of Commerce, Industry, Labour and Immigration.
Source: World Bank Data base - Ministry of Commerce, Industry, Labour and Immigration

Some successful investment stories

GPPOL
- Papua New Guinea – Agribusiness
- US$79.6 million | 1,500 jobs
- Palm oil project in Eastern Guadalcanal covering 6,900+ hectares, in partnership with small local landowners. It includes plantations, crude oil extraction and kernel processing.

Heritage Park Hotel
- Papua New Guinea – Tourism
- US$18.2 million | 165 jobs
- 4-star hotel offering accommodation, dining, event catering, and entertainment services.

BNBM Homecenter
- Papua New Guinea – Wholesale & retail
- US$1,2 million | 36 jobs
- A one-stop shop combining wholesale and retail supermarket with a home center, plus wholesale distribution of construction materials.

SOLTUNA
- Singapore – Fisheries
- US$36.5 million | 1,822 jobs
- Tuna processing and preservation facility producing frozen loins, canned tuna, and fishmeal for regional and international markets.

CCECC South Pacific Ltd
- China – Construction
- US$1.2 million | 159 jobs
- Building and civil construction with engineering services, producing gravel, ready-mix concrete, sand, and bricks, plus wholesale trade of construction materials.

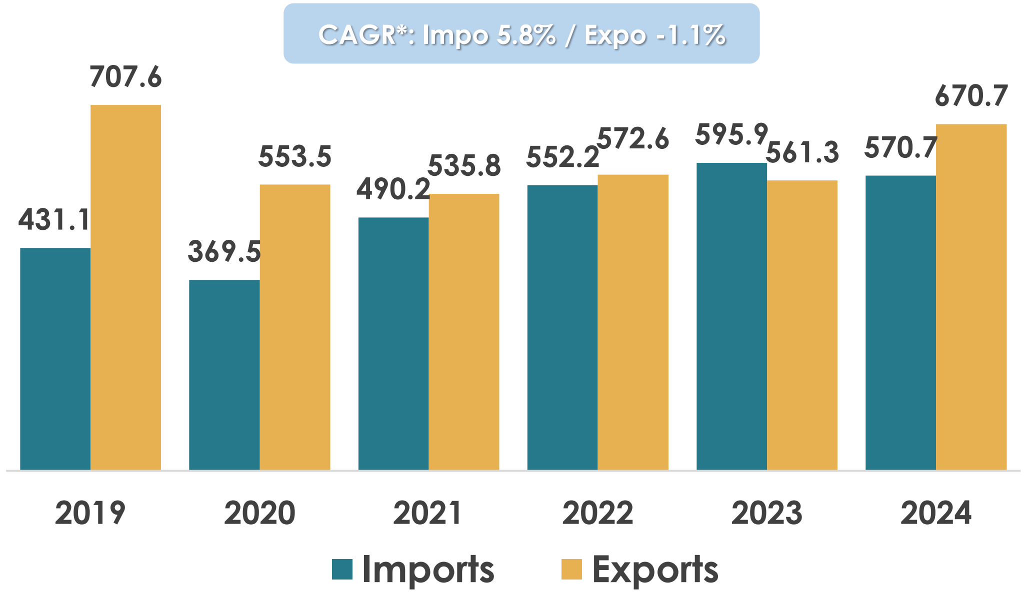
Solomon Isl. Commodities Private
- Singapore – Agrobusiness
- US$2,4 million | 60 jobs
- Manufacturer and exporter of crude coconut oil and processed copra meal for domestic use and international markets.

Note: Investment amounts and job creation figures are estimates provided by companies in their Foreign Investment Registration Certificates (FIRC).
Source: Invest Solomon (Ministry of Commerce, Industry, Labour and Immigration)

Solomon Island’s international trade

- **Rising import demand:** During the last 5 years, imports grew steadily on an average annual rate of 5.8%, peaking at US$ 595.9m in 2023, reflecting rising domestic demand and economic activity.
- **Trade balance surplus**: Despite an average annual decline of 1.1%, Solomon Islands remains one of only 3 Pacific countries with a trade balance surplus, alongside PNG and Micronesia.
- **Top export destinations:** China, Australia and Italy stand out as top 3 destinations for Solomon Islands’ exports, accounting over 82% of the flows.
- **Leading import providers:** China, Singapore and Australia emerge as the top 3 sources of Solomon Islands’ imports, accounting for over 68% of the flows.

Solomon Islands’ Trade Balance of Goods, 2019-2024 (US$ Million)



Exports by destination (US$), 2024

China 57.8% ($387.3M)
Australia 13.7% ($91.6M)
Italy 11.1% ($74.7m)
Netherlands 3.2% ($21.6K)
Spain 2.6% ($17.4K)
Other 11.6% ($77.6M)

Imports by origin (US$), 2024

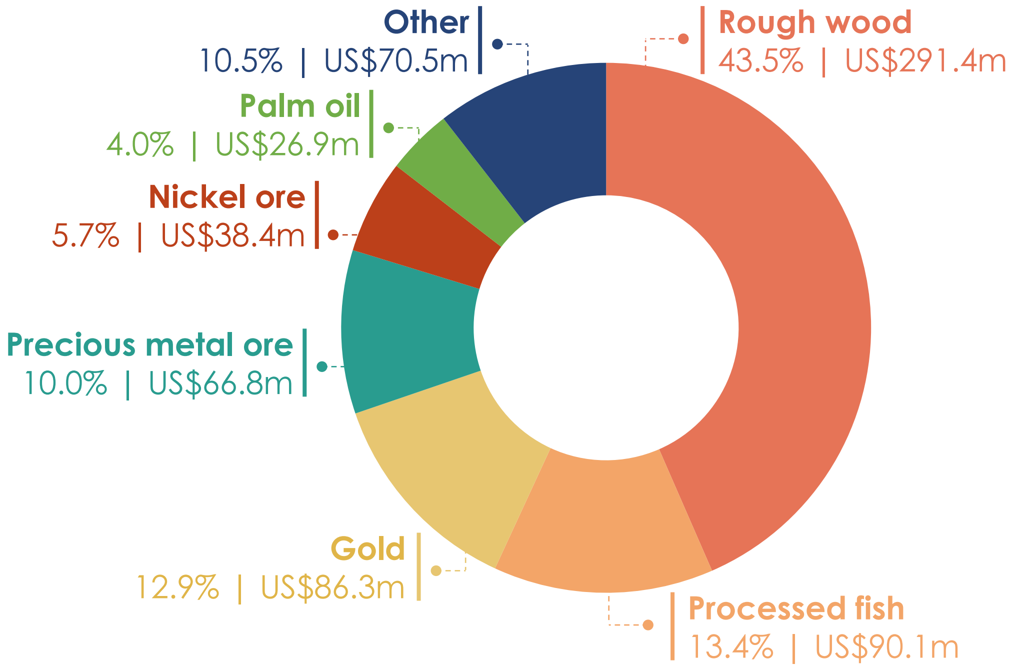
China 36.5% ($208.5M)
Singapore 18.5% ($105.4M)
Australia 13.3% ($75.9M)
Malaysia 4.3% ($24.3M)
Indonesia 4.0% ($22.9M)
Other 23.4% ($133.4M)

*CAGR: Compound annual growth rate
Source: www.TradeMap.com (Based on mirror statistics due to the absence of up-to-date official data)

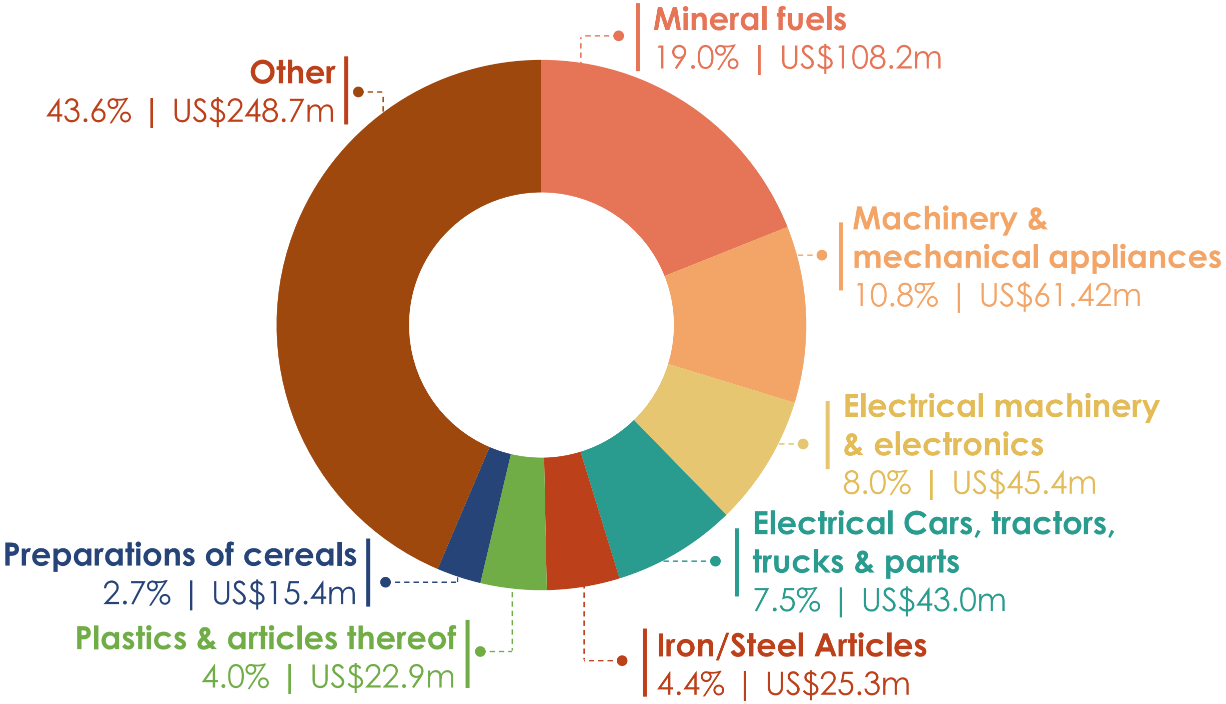
Solomon islands' international traded goods

- **Concentrated export mix:** Rough wood is the top exported product, accounting for 43.5% of export flows, followed far behind by Processed fish (13.4%) and Gold (13.4%). Together the top 3 products represent 70% of total exports.
- **Diverse import portfolio**: Wide range of products, with Mineral fuels, Machinery & mechanical appliances, and Electrical machinery & electronics standout as the top 3, accounting for over 37% of the import flows.

Exports by products' value (HS4), 2024



Imports by products' value (HS2), 2024



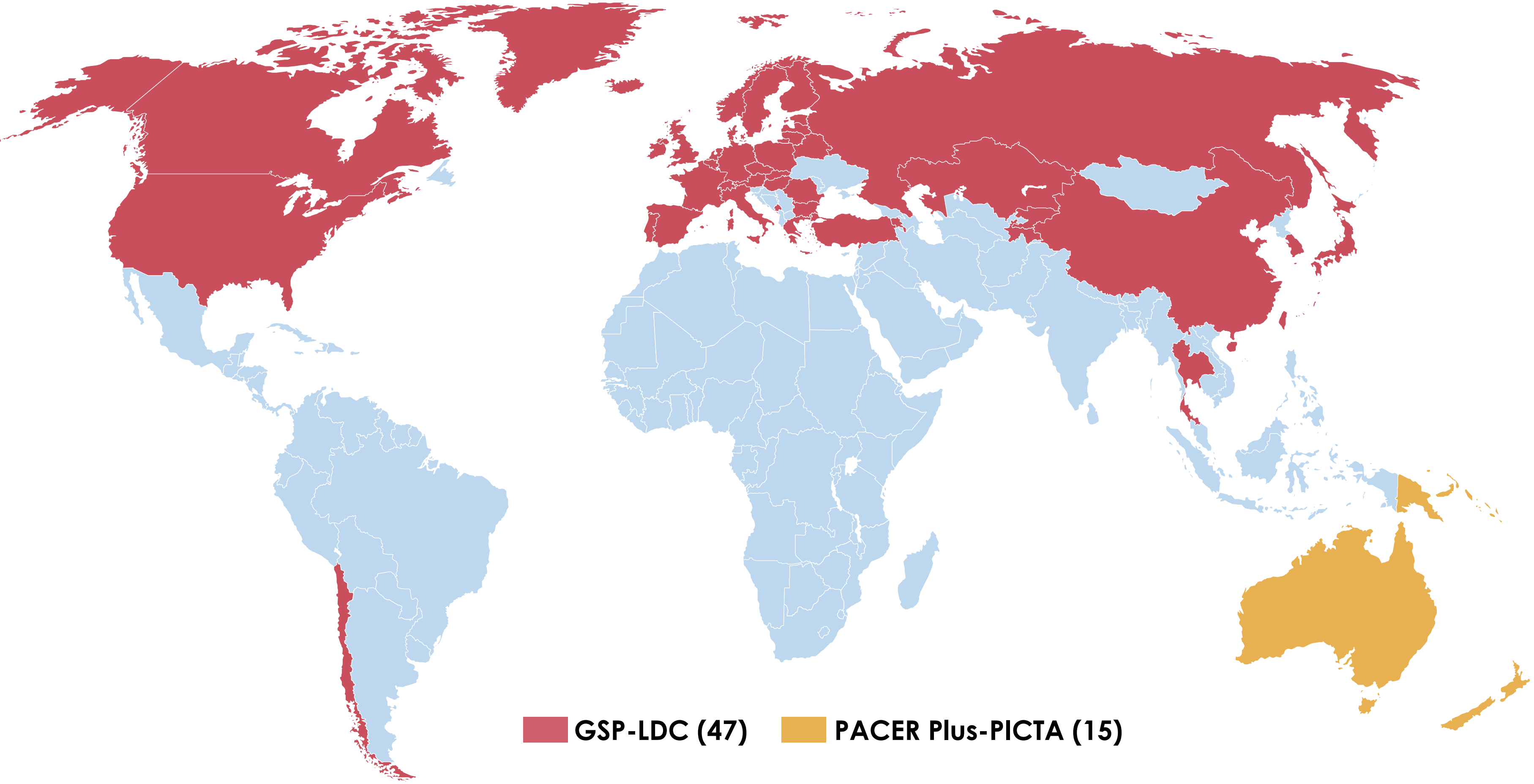
HS4-2: Harmonized system at 4-digit code (heading) and 2-digit code (chapter).
Source: www.TradeMap.com (Based on mirror statistics due to the absence of up-to-date official data)

3 Strategic connectivity with preferential market access

invest solomons

Strategic export platform

Preferential market access to 2.9+ billion consumer in 62 countries



GSP – LDC countries: Armenia, Belarus, Canada, Chile, China, European Union, Iceland, Japan, Kazakhstan, South Korea, Kyrgyzstan, Montenegro, Norway, Russia, Switzerland, Tajikistan, Thailand, Taipei, Turkey, United Kingdom and USA*.
PACER Plus-PICTA countries: Australia, Cook Islands, Fiji, Kiribati, Marshall Islands, Micronesia, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu.
Source: MacMap.org

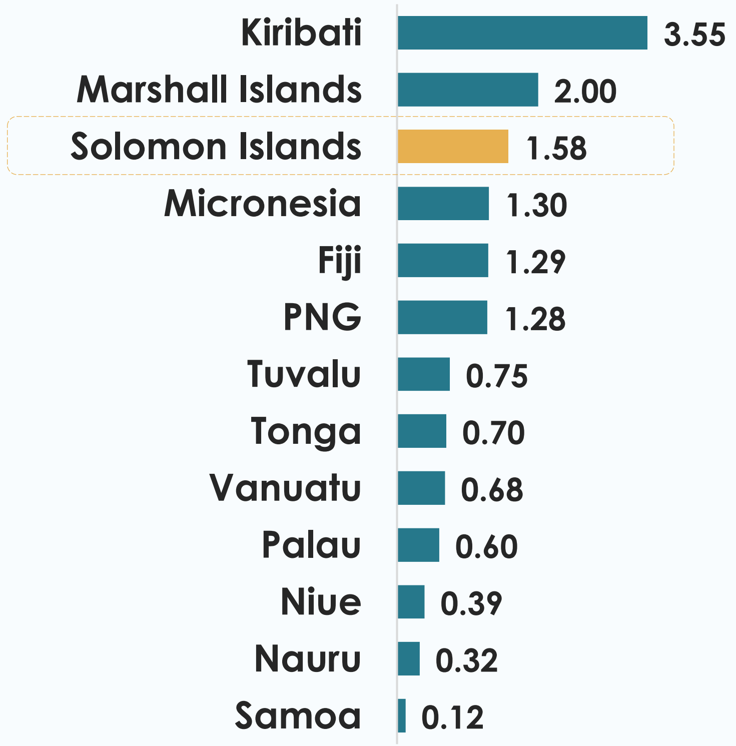
- **Preferential access to key global markets through GDP-LDC:** Duty-free and quota-free access to major economies in 4 continents through the Generalized System of Preferences (GSP) for Least Developed Countries (LDC), enhancing export competitiveness.
- **Regional trade advantage in the Pacific:** Access 15 Pacific Island countries, including Australia and New Zealand, under PACER Plus and PICTA free trade agreements, strengthening regional market integration.
- **Globally connected as a WTO member:** World Trade Organization member since 1996, ensuring integration into the global trading system and fostering transparent, rules-based trade that builds investor confidence.

Solomon Islands’ Exclusive Economic Zone

Vast opportunity in blue economy

- **3rd largest exclusive economic zone in the Pacific region and 23rd in the world,** covering 1.58 million km² of marine territory, creating opportunities for fisheries, aquaculture, and ocean-based industries, positioning the country as a leading Blue Economy destination.

EEZ Area Pacific Island States (Million km²)



Source: https://www.marineregions.org/gazetteer.php?p=details&id=8314

invest solomons

Solomon Islands connectivity by air

Accessible by air: With over 15 direct weekly flights to 4 international destinations, the Solomon Islands ensures reliable connectivity within the South Pacific region.

Main international entry point: Honiara International Airport (HIR) in Guadalcanal Province serves as the Solomon Islands' primary gateway and only fully operational international airport. Munda International Airport is designated international but currently serves only domestic flights.

Domestic connectivity: Over 20 additional domestic airports and airfields facilitate travel between the islands of Solomon Islands, with flights operated mainly by Solomon Airlines.

Solomon Airlines

Air Niugini

FIJI AIRWAYS

QANTAS

Note: Information only as reference. Air routes and airlines may change due to latest updates
Source: www.flightconnections.com/ - https://www.google.com/travel/flights?gl=ID&hl=en

invest solomons

Solomon Islands' maritime connectivity

The Solomon Islands Ports Authority (SIPA) manages the ports of Honiara and Noro, the 2 primary entry points for international shipping in the country.

Honiara Port: Solomon Islands' main trade gateway. It features container, bulk cargo, and oil terminals, a deep-water wharf and passenger jetty. Through its Green Port program, it targets carbon neutrality by 2030.

The port offers storage for up to 1,000 containers and has 2 berths capable of handling vessels up to 150 m in length with 11.5 m depth.

Shipping network: 3 international shipping lines provide direct overseas connections to 6 countries across the region.

Inbound direct connections to Honiara Port	Outbound direct connections from Honiara Port
Hong Kong, China	Port Klang, Malaysia
Port Moresby, Lae & Rabaul, PNG	Sydney, Australia
Suva & Port Lautoka, Fiji	Santo, Vanuatu
	Suva, Fiji
	Lae, PNG

SWIRE PIL ANL

Note: Information only as reference. Cargo routes and lines may change due to latest updates.
Source: https://www.fluentcargo.com/insights/ports?place=Solomon+Islands&port=locode+SBHIR - https://www.sipa.com.sb/

4 Business environment and tax incentives

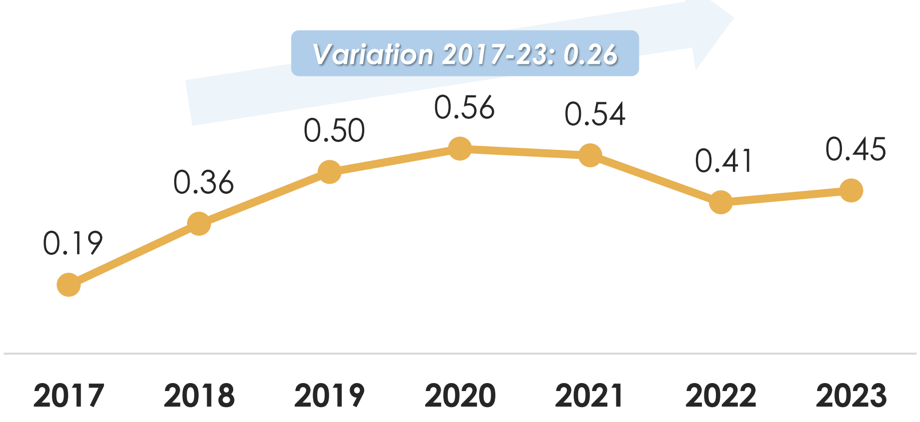
invest solomons

A country committed to peace and stability

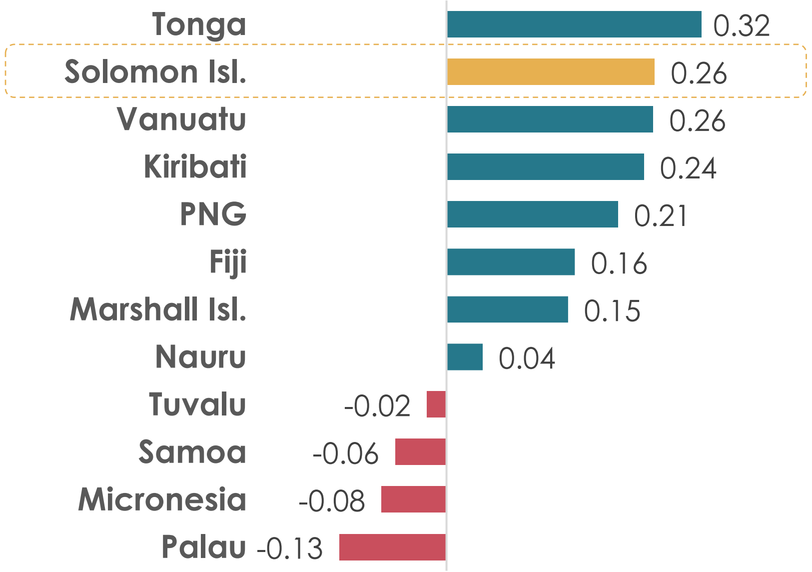
Rapid improvement positioning it as a top reformer

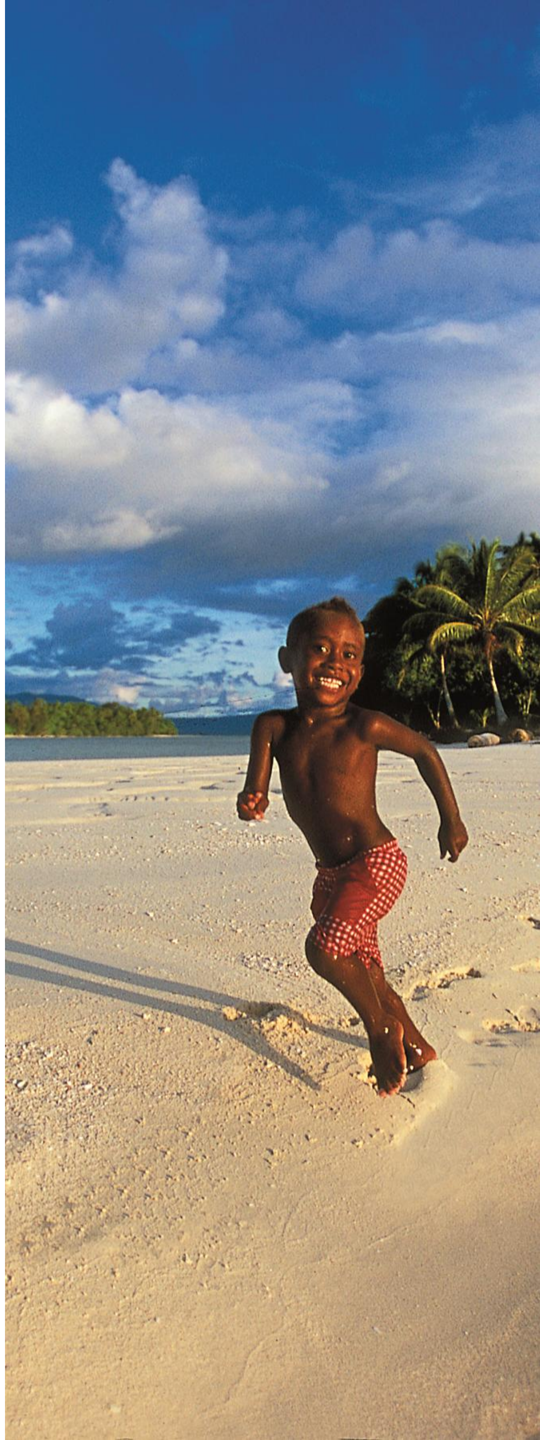
- **Growing stability**: Despite its low ranking*, Solomon Islands has nearly double it's Political stability & absence of violence score, rising from 0.19 in 2017 to 0.45 in 2023, creating a safer and more predictable environment for investors.
- **Regional progress leader**: With a 0.26-points gain, Solomon Islands ranks as the 2nd fastest-improving country in the Pacific region, showcasing its strong commitment to reform and stability.

Political stability & absence of violence/Terrorism in Solomon Islands Index, Score (2017-2023)



Political stability & absence of violence/Terrorism Score Variation, (2017-2023)



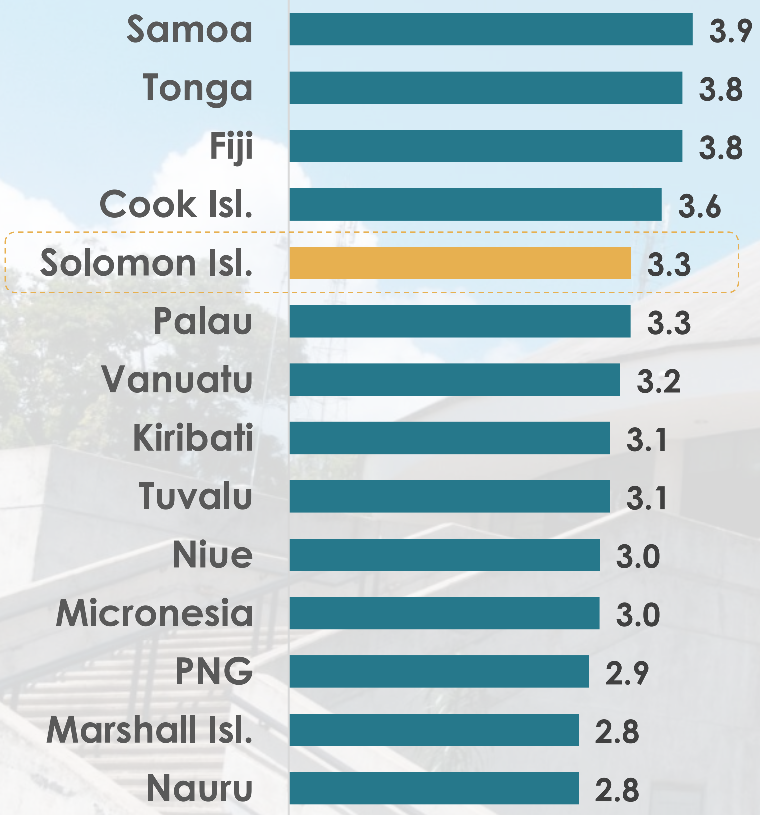


Political Stability and Absence of Violence/Terrorism: Perceptions of the likelihood of political instability and/or politically-motivated violence, including terrorism.
* By 2023 Solomon ranked 12th among the 13 Pacific countries.
Source: The World Bank Database (https://databank.worldbank.org/source/world-development-indicators#)

Among the Pacific's top policy performers

ADB's Country Performance Assessment (CPA)

Policy Performance Index in the Pacific, 2024 (Score)



Solid regional position: Solomon Islands ranks 5th among 14 Pacific Island states in Policy Performance Index from ADB's Country Performance Assessment (CPA), reflecting solid policy foundations and regional competitiveness.

Investor confidence: With strong frameworks in economic management, structural reforms, and governance, Solomon Islands create a stable environment to strength investor trust.

Source: Asian Development bank (ADB) Country Performance Assessment (CPA). https://data.adb.org/dashboard/country-performance-assessment-cpa

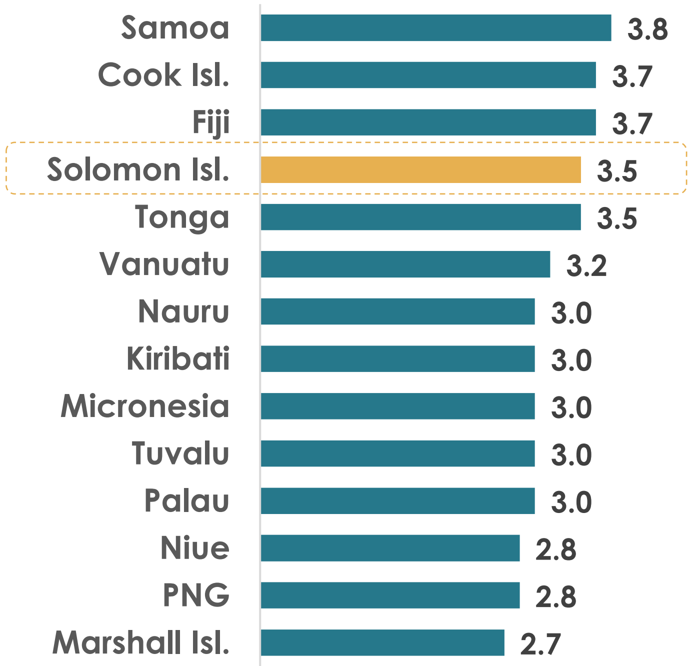
invest solomons

Pacific-top performer in economic & structural policies

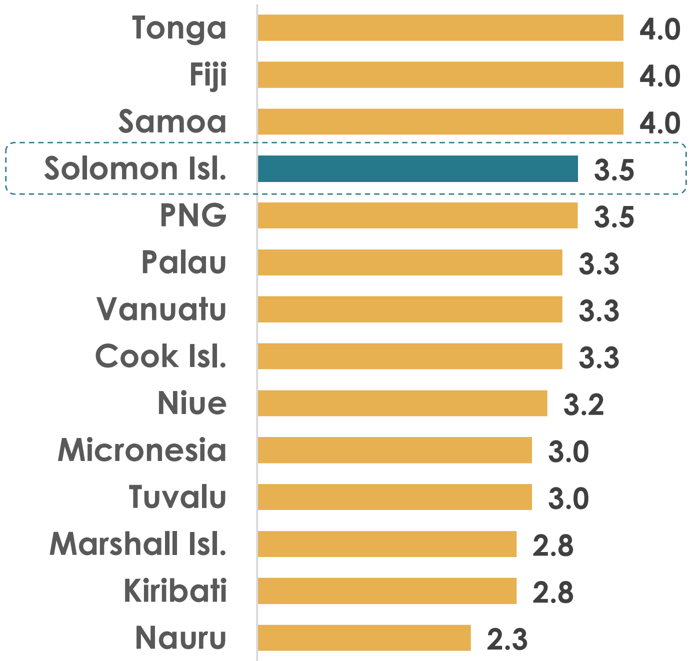
ADB's Country Performance Assessment (CPA)

- **Strong and reliable Economic Management:** It ranks 4th in the Pacific, reflecting disciplined fiscal policies and resilient macroeconomic framework. It also holds #1 in Debt Policy and Management[1] and Monetary and Exchange Rate Policies[2] subindicators.
- **Strong Structural Policy Foundations**: Ranked 4th in the Pacific and leads in Financial Sector Development (#1) and performs well in Business Regulatory Environment (#4) subindicators, reinforcing a supportive financial system and pro-investment regulations.

Economic Management Index in the Pacific, 2024 (Score)



Structural Policies Index in the Pacific, 2024 (Score)

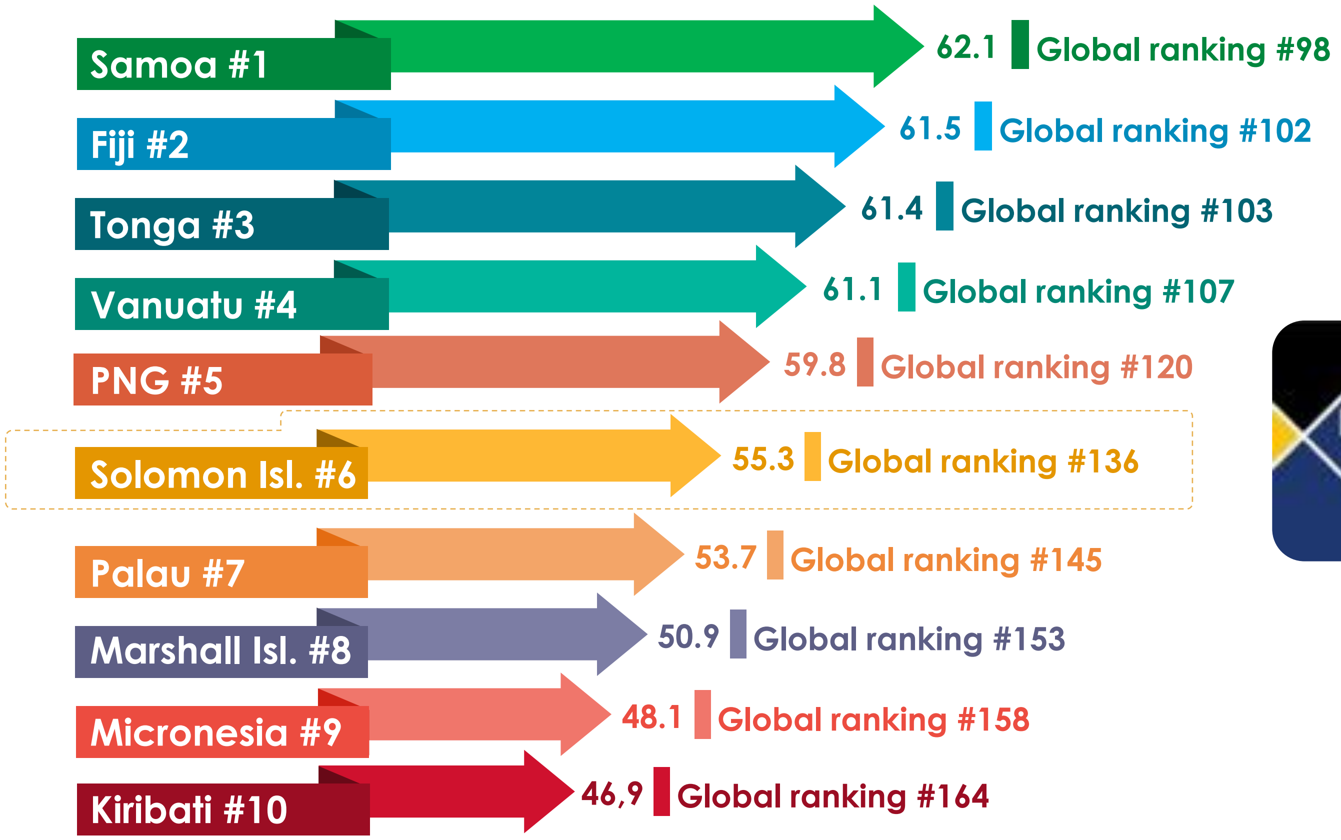


([1]) Along with Tonga. ([2]) Along with Samoa, Fiji, Cool Islands and Vanuatu. ([3]) Along with Saia, Fiji and PNG. ([4]) Along with Cook Islands, Vanuatu and Niue.
Source: Asian Development bank (ADB) Country Performance Assessment (CPA). https://data.adb.org/dashboard/country-performance-assessment-cpa

invest solomons

Improving the business climate trough better regulation

Doing Business, 2020 (World Bank)

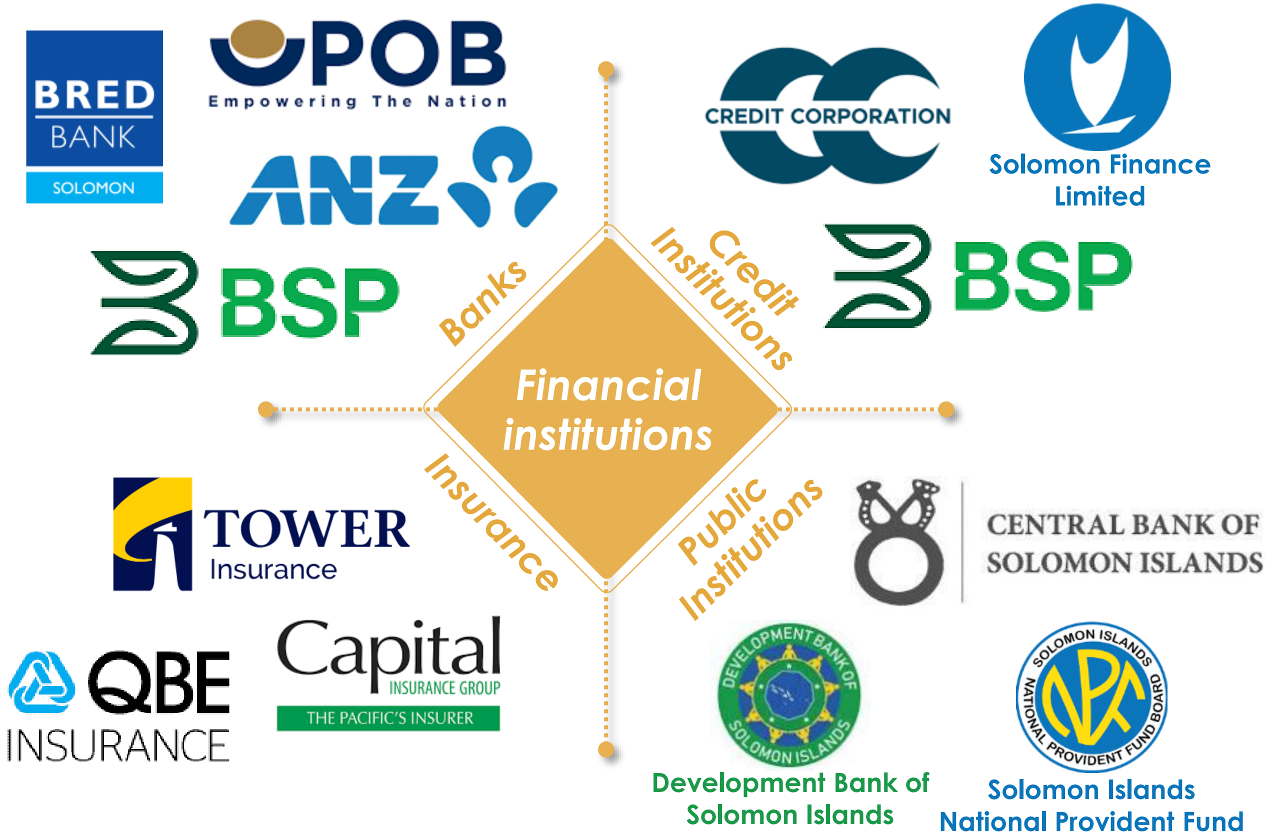


- **#6 in Doing Business ranking**: Solomon Islands is positioned mid-range among Pacific Island states in the World Bank's Doing Business Index 2020, reflecting steady progress in improving the regulatory environment and support for private sector activity.
- **#4 in Protecting investors & Starting a business**: It ranks 4th on both subindicators, reflecting stronger shareholder protections, improved governance safeguards, and a streamlined business registration process that enhance investor confidence and ease market entry.
- **#1 in Paying taxes**: It ranks 1st in the Pacific and #41 globally for Easy of Paying Taxes. This highlights a streamlined, cost-efficient system that reduces business burdens and strengthens investor confidence.

Notes: Higher score implies better position in the ranking. Doing Business 2020 was the last version created by the Word Bank. The new report called Business Ready (B-Ready 2024) only includes Vanuatu and Samoa from the Pacific Islands States.
Source: The World Bank Database Doing Business Report 2020 https://archive.doingbusiness.org/en/rankings?region=east-asia-and-pacific

Financial ecosystem in Solomon Islands

Key players



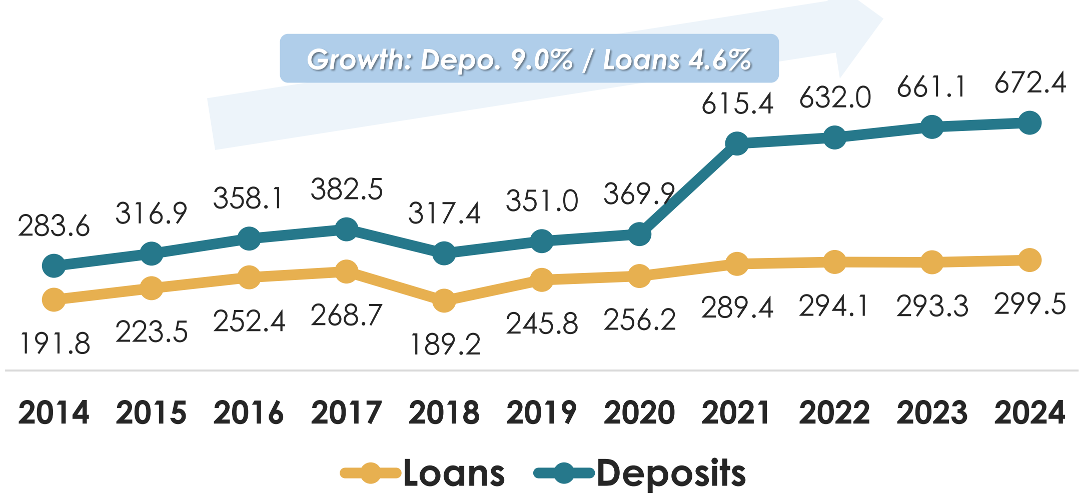
Source: Central Bank of Solomon Islands (https://www.cbsi.com.sb/solomon-islands-financial-system-infrastructure/?utm)

Banking growth and financial inclusion

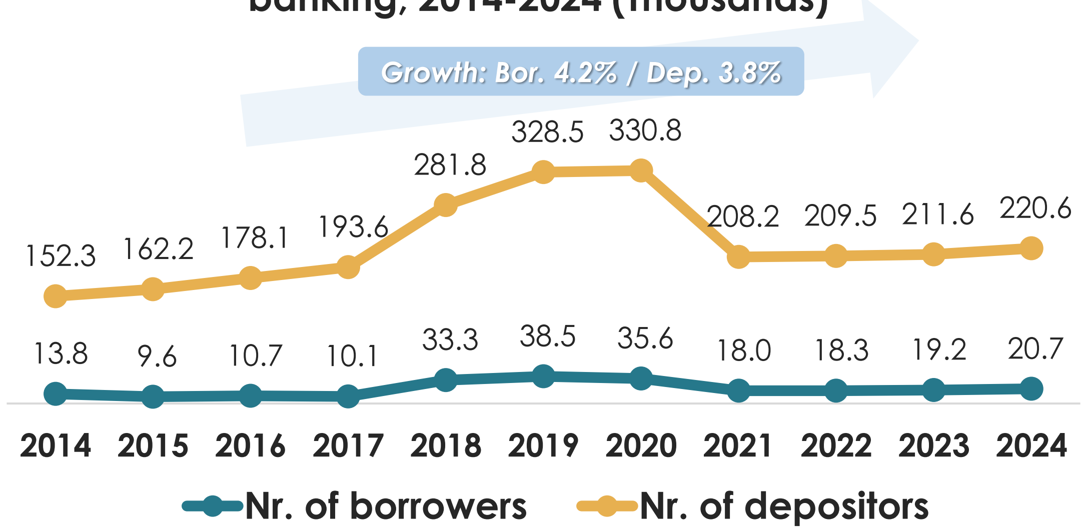
Expanding credit, deposits and access

- **Steady banking growth:** During the last decade (2014-2024) commercial banking system expanded consistently, with average annual growth of 4.6% in loans reaching US$299 million, and 9% in deposits (US$672 million).
- **Expanding financial inclusion**: Despite COVID-19 impact, the number of borrowers grew at 4.6% average annually, surpassing 20,700 by 2024, while depositors increased by 3.8% annually to nearly 220,600.
- **Expanding financial inclusion**: By 2024, access reached 42.6 borrowers and 453 depositors per 1,000 adults, reflecting broader participation in the banking system.
- **Rapid digital expansion:** Mobile and internet banking transactions grew at an average annual rate of 21% over the last 5 years (2018-2024), surpassing US$156 million, with 11,297 transactions per 1,000 adults in 2024.

Amount of deposits and loans in commercial banking, 2014-2024 (US$ Million)



Number of depositors & borrowers in commercial banking, 2014-2024 (Thousands)



Source: IMF (https://data.imf.org/en/datasets/IMF.STA:FAS) - Central Bank of Solomon Islands (https://www.cbsi.com.sb/solomon-islands-financial-system-infrastructure/?utm)
Growth: CAGR (compound annual growth rate)

Attractive tax incentives (1/2)

6 incentive packages to promote country growth

New Tourism Investments (1)
US$2.4 million (SBD$20m)

- **Tax free period**: up to 10 years tax holiday for capital investment
- **Trading loss tax offset**: up to 5 years with ownership continuity
- **Import duty exemption**: 100% on all capital goods not available locally and renewable energy equipment.
- **Accelerated depreciation**: 20% deductible in any 5 of 7 years (excluding land).
- **Self-generation & sale**: hotels can generate their own electricity and sell excess to the grid.

New tourism investments (2)
US$120,000 (SBD$1m)

- **Investment tax allowance:** 55% of capital expenditure deductible against tourism income. Applies to renovations, refurbishments, and extensions.
- **Trading loss tax offset**: up to 5 years with ownership continuity.
- **Import duty & GST exemption:** 100% on building materials, furnishings, equipment, and room amenities not made locally. 5% duty on water sports equipment and heavy machinery (with re-export conditions).
- **Accelerated depreciation:** 20% allowance (excluding land) claimable in any 5 of 7 years.
- **Electricity generation incentive:** businesses can generate electricity and sell excess power to the grid.

Aviation incentives
Us$605,000 (sbd$5 million)

- **Import duty &** goods & service tax **exemption:** 100% exemption on aviation fuel.
- **Aircraft investment allowance:** 55% of aircraft purchase cost deductible against future business income.

Note: Investment amounts refer to minimum investment requirement (excluding land cost).
GST: goods & service tax
Source: Tourism Investment Package 2017

Attractive tax incentives (2/2)

6 incentive packages to promote country growth

Marine & dive tourism investments
US$240,000 (SBD$2 million)

- **Investment tax allowance**: 55% of total capital expenditure deductible against tourism business income.
- **Tourism cruise vessel**: 100% capital expenditure on vessel purchase deductible against future income; unused allowance after 3 years can offset income from other marine or tourism activities.
- **Dive equipment exemption**: 100% duty and good tax exemption on imported specialized dive equipment.

Tourism joint venture incentives
US$1.8m (SBD$15m)

- **Extended Tax Incentive:** Additional 5-year income tax exemption for hotel developers or any Tourism-related Business with at least 25% local equity partnership.

Existing tourism operators
US$2.4m (SBD$20m)

- **Income Tax Exemption:** Up to 5 years tax holiday for facility upgrades, renovations, or expansion to meet Tourism Minimum Standards.
- **Import Duty Exemption:** Up to 100% on building materials and furniture for required upgrades.
- **Renewable Energy Incentive**: 100% duty exemption on renewable energy equipment for tourism facilities under the Upgrade Program.
- **Marketing Deduction:** 150% tax deduction on expenses for overseas marketing and promotion programs.

Note: Investment amounts refer to minimum investment requirement (excluding land cost).
GST: goods & service tax
Source: Tourism Investment Package 2017

invest solomons

Special Economic Zones (SEZ)

Basic definitions

Definition

Designated area approved by the SEZ Authority to promote investment, diversification, job creation, and sustainable provincial development in agriculture, fisheries, manufacturing, technology, and tourism.

Economic activities

- *Export-oriented production*
- *Storage & processing of inbound goods and distribution of outbound goods*
- *Support service businesses*
- *Tourism & recreational developments (excluding casinos and gaming)*

Prerequisites

- **Official designation:** Area must be approved as a SEZ by the Authority and Cabinet.
- **Financial capacity:** Investors must demonstrate adequate funding and technical expertise.
- **Minimum capital:** Foreign investors required at least US$ 5 million investment.
- **Compliance:** Projects must meet environmental, social, and labor standards.
- **Policy alignment:** The proposal must fit within the National SEZ Plan and contribute to exports, jobs, and economic growth.

Source: Special Economic Zones Act 2025

Special Economic Zones (SEZ)

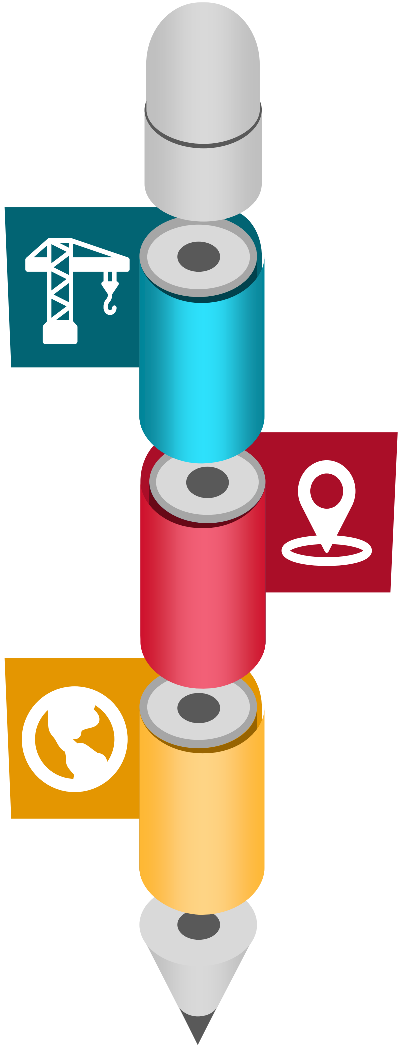
Incentives

Infrastructure development

- Duty- and tax-free imports of machinery, equipment, and construction materials.
- Duty-free import of one admin vehicle, ambulances, firefighting equipment/vehicles, and up to 2 staff buses.
- 10-year corporate tax holiday, plus exemptions on rent and dividends and stamp duties on transactions and property transfers.
- Automatic visas/work permits up to 5 foreign staff during start-up (4 years).
- Sales tax exemption on utilities.

Producing for export markets

- Access to the export credit guarantee scheme.
- Duty- and tax-free imports of raw materials and capital goods.
- 10-year corporate tax holiday, with exemptions on rent, dividends, and provincial levies.
- 10-year exemption from PAYE tax on foreign staff salaries and benefits.
- Duty-free import of vehicles, ambulances, firefighting equipment, and staff buses.
- Business visa on arrival (up to 3 months), plus up to 5 automatic permits for start-up staff.
- Remittance of proceeds upon sale or liquidation.



Production for customs territory

- Tax & duty relief on raw materials, capital goods, and equipment
- 10-year withholding exemptions on foreign loan interest, royalties, fees and dividends
- Duty-free import of one admin vehicle, one ambulance, firefighting equipment, and up to two staff buses.
- Business visas on arrival for key staff (up to 2 months), and up to 5 automatic work permits during start-up (4 years)
- Free repatriation of profits, dividends, loan repayments, and liquidation proceeds in foreign currency.
- 10-year exemption from PAYE tax on foreign staff salaries and benefits
- Access to reliable services within SEZs.

Source: Special Economic Zones Act 2025

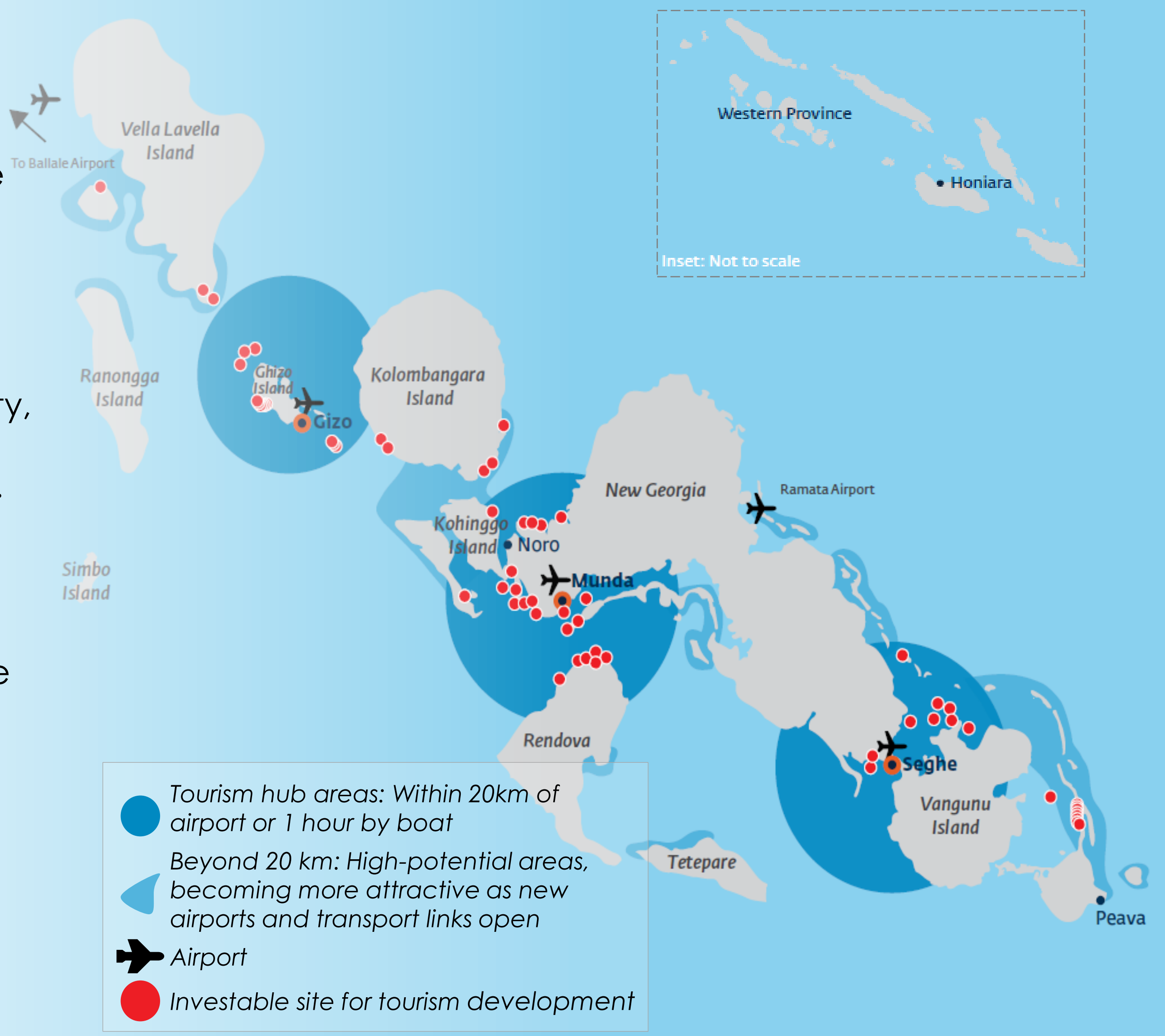
Portfolio of investable tourism sites

60+ legally-registered sites ready for investment in the Western Province

Ready-to-use land portfolio with clear titles and reliable detailed profiles (location, size, tenure, attractions, tourism potential, and challenges).

Accessible and pre-assessed sites within 20 km of airports or one hour by boat, evaluated for tenure clarity, tourism appeal, and environmental & social risks, giving investors early insight into opportunities and challenges.

3 strategic hubs anchor the portfolio: Gizo with world-class diving and WWII heritage sites, Munda with an international airport and lagoon attractions, and Seghe as the gateway to Marovo Lagoon and eco-tourism opportunities.



Sources: IFC & Ministry of Culture and Tourism (2021) Western Province Investable Sites

Strong and reliable legal framework for investors

Investment regulation

- National Development Strategy 2016-35
- Foreign Investment Act 2005/2006 and amendment 2009
- Foreign Investment Regulation 2005 and amendment 2016
- Investment Policy and Promotion Strategy 2023-2043

International investment agreements

- ACP - EU Samoa Agreement (2023)[1]
- PACER Plus (2017)[2]
- Cotonou Agreement (2000)[1]
- SPARTECA (1980)[2]
- IFD Agreement[3]

Investment Guarantees

- **No expropriation**, except for public purpose with fair compensation.
- **Equal treatment** for all foreign investors.
- **Free and prompt transfer of funds** related to the investment, in freely convertible currency.

[1] ACP - EU Samoa Agreement: African, Caribbean and Pacific Group of States (77 states) - European Union (28 states). Status "signed". It includes same states from Coconut agreement which status is "in forced".
[2] Pacer Plus: Pacific Agreement on Closer Economic Relations Plus (14 Pacific states). Status "in forced". It includes same states from SPARTECA which status is "in forced".
[3] IFD: Investment Facilitation for Development Agreement (World Trade Organization Joint Statement Initiative with 127 states). Status "in negotiation".
Source: UNCTAD Investment Policy Hub (https://investmentpolicy.unctad.org/country-navigator/199/solomon-islands)

Steps to set up a foreign investment business

#1 Foreign Investment Registration Certificate (FIRC)
- Register online via Business Registry[1] (create an account), under MCILI.
- Complete online project application.
- Pay registration fee at Ministry of Finance & Treasury (MFT) SBD$2,400 - US$290.
- 5 working days to process.

#2 Incorporate the enterprise with "Company Haus"
- Incorporate the company online via Solomon Islands Business Registry[1]
- Complete online company application.
- Pay registration fee at Government Treasury (SBD$1,500 - US$180).
- 5 working days to process.

#3 Obtain Tax Identification Number (TIN)
- Fill-in and submit the application via email or in person at the Inland Revenue Division[2].
- No fee.
- Up to 3 working days.

#4 Work permits
- Applies for any foreign employee.
- Complete the form at the Commissioner of Labour[3], under MCILI.
- Fee between SBD$355-1,300 (US$43-158) depending on position duration.
- 2-4 weeks process.

#5 Residence (stay) permit
- Applies for any foreign staying over 90 days.
- Complete the form at the Immigration Division[4] under the MCILI.
- Fee SBD$1,500-2,000 (US$180-240)
- Up to 4 weeks.

#6 Provincial business license
- Obtain from any provincial councils where the business will operate (e.g. Honiara City Council)
- Fee varies by province, scale & type of business SBD$500-5,000 (US$60-600)
- Valid for 1 year calendar.

#7 Sectoral business license
Sectoral licenses apply for projects on: Fisheries, mining, liquor, transport tourism, environmental, etc.

Sources/links: [1] https://www.solomonbusinessregistry.gov.sb/ - [2] http://www.ird.gov.sb/Article.aspx?ID=609 - [3] https://www.labour.gov.sb/work-permt/ - [4] http://www.commerce.gov.sb/

MCILI: Ministry of Commerce, Industry, Labor and Immigration.

Note: Investors can either manage the process independently or engage a reputable local agent to assist. Total expected time to complete the process 15-30 working days.

Constrained economic activities for foreign investors

Restricted List (Met by foreign investor)

1. **Fishing:** At least 30% equity held by Solomon Islands citizens. Foreign investors: ≥ US$500k in ownership or paid-up capital*.
2. **Forestry (plantation & logging):** Local equity: 20% State, 10% Provincial Gov., 19% Resource Owners. Must include value-adding. Foreign investors: ≥ US$500k in ownership or paid-up capital*.
3. **Tobacco production:** Foreign investor must use ≥ 75% locally grown/processed tobacco in cigarette production, and ≥ US$500k in ownership or paid-up capital*.
4. **Tourism (cultural heritage):** Any cultural heritage investment: ≥ US$500k in ownership or paid-up capital*.
5. **Real estate development/management/agents**: ≥ US$1m in ownership or paid-up capital* and certification under Real Estate Act.
6. **Tourist rentals (homes, villas, apartments, bures)**: ≥ US$250k in ownership or paid-up capital*.
7. **Construction:** ≥ US$1m in ownership or paid-up capital*.
8. **Earthmoving:** ≥ US$1m in ownership or paid-up capital*.
9. **Inter-island shipping & passenger services** *(excl. tourism support):* ≥ US$500k in ownership or paid-up capital*.

Reserved List (Solomon islands citizens)

1. **Food & beverage services:** Milk bar or cafeteria business, Kava business, Bakery business, Liquor bar and Nightclub *(except those operated within the vicinity of a hotel/resort and/or operated by foreign owned hotels/resorts)*.
2. **Transport services:** Taxi business and Bus business.
3. **Retail & trade:** Retail sale via stalls and markets, and Handicraft business.
4. **Personal & household services:** Tailor shops, Repair of personal and household goods, Plumbing business, and Electrical business.
5. **Community & social services:** Plant nursery and care, and Day-care center.
6. **Hospitality & leisure services:** Home-stay lodging services, Back-packer operations, and Internet café, amusement, and gaming center.

* Paid-up capital for companies in the form of cash from the operational date, to be fully brought into Solomon Islands within the implementation period (12 months (< US$2.5m projects) / 18 months (≥ US$2.5m projects).
Source: Solomon Islands Investment Policy and Promotion Strategy 2023-2043

invest solomons

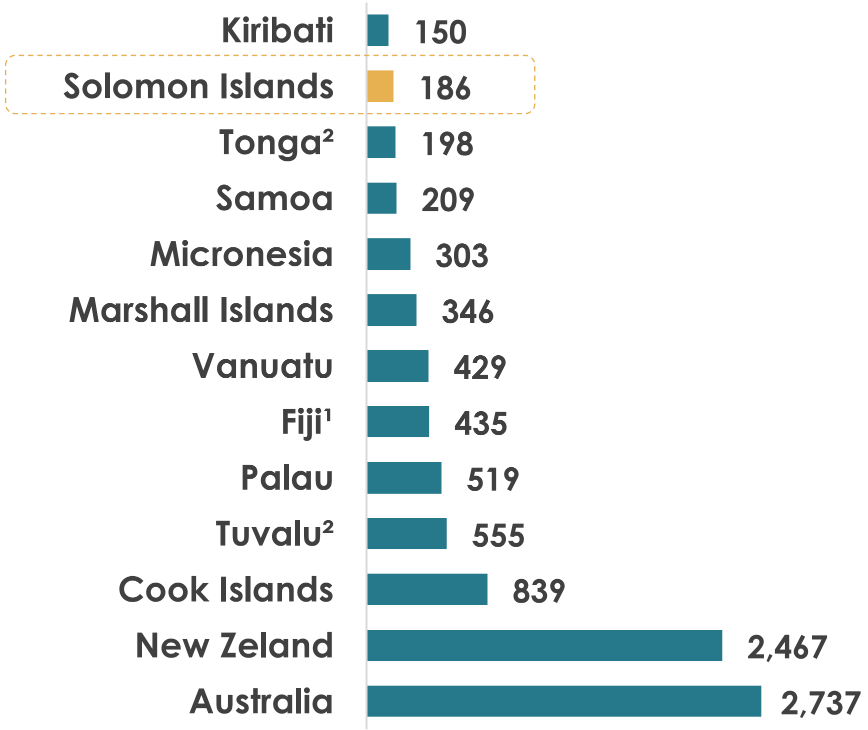
5 | Competitive operational costs

invest solomons

2nd most competitive salaries in the Pacific

Investor-friendly and flexible labor laws

Monthly Minimum Wage in the Pacific, 2025 (US$/Month)



US$186 Monthly minimum wage

(SBD$1,560/month)

- US$0.86 (SBD$7.2) per hour for workers in fishing and agriculture
- US$0.95 (SBD$8) per hour for workers in any other sector
- 12 salaries per year: No obligation for bonusses & allowances

45 hours per week working schedule

Commonly spread over five and a half or six days

- **Overtime:** 1.5x weekdays after standard hours, 2.0x Sundays & 2.0x Public holidays.
- **Annual leave:** 15 working days of paid annual leave after 1 year of continuous employment, 14 days of sick leave, and 12 weeks of maternity leave. Paid leave on national public holidays is mandatory.

12.5% for Social security

For National Provident Fund (SINPF), with 7.5% paid by the employer and 5% by the employee.

- Employers must withhold income tax under the PAYE system, based on taxable income and rates (0–35%).
- No separate payroll tax applies beyond PAYE and SINPF contributions.

Note1: Average monthly salary corresponds 40 hours per week. Fiji and Solomon Islands are the exception with 45 hours per week.
Note2: Values only for reference. These may change according to exchange rate fluctuations or legislation updates. Salaries do not include mandatory social benefits.
[1] Minimum wages are set according to province, industry and skill level.
[2] There is no statutory minimum wage. Lowest average salary is used in stead.
Source: https://wageindicator.org/salary/minimum-wage/minimum-wages-per-country - https://www.salaryexplorer.com/#browsesalaries - https://www.rivermate.com/guides - https://www.globalexpansion.com/countrypedia

invest solomons

Utility costs overview

Understanding the costs of essential services

Average utility tariffs

Electricity: US$ 0.69 kW/h (avg.)

- Cheapest US$0.30 kW/h – Most expensive US$0.81 kW/h.
- 81.3% of the population has electricity access (Pacific Islands average 91.6%).
- Over 9.7% of generation is renewable, mainly from solar source.

Mobile data: US$ 6.96 GB (avg).

- Cheapest US$0.71 GB – Most expensive US$7.89 GB.
- 42.5% of the population has internet access (Pacific Islands average 59%).
- Well connected country with 1 operational submarine cable and another under construction.

Water: US$ 1.52 m^3/month (flat rate)

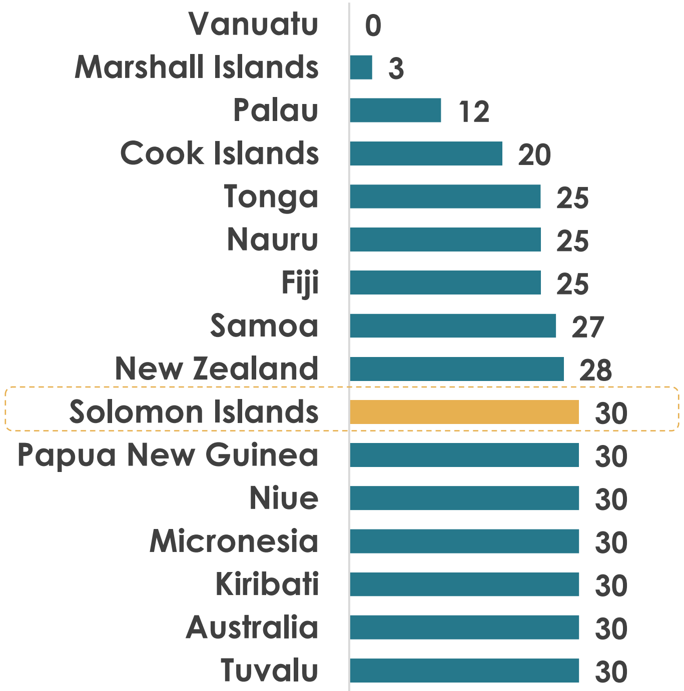
- Competitive prices, ranking below the Pacific Islands average of US$2,2 per month
- 67.4% of the population is using at least basic drinking water services (Pacific Islands average 86.7%).

Electricity: The Pacific region *is the most expensive in the world, averaging US$0.35 kWh, excluding developed economies and overseas territories (values for 2021).* Source: https://www.cable.co.uk/energy/worldwide-pricing/ - IRENA renewable capacity statistics 2024 – World Bank Database 2023
Mobile data: The Pacific is one of the most expensive in the world, averaging US$3.72 per 1GB per 30 days (values 2023). Source: https://www.cable.co.uk/mobiles/worldwide-data-pricing - https://www.submarinecablemap.com/country/solomon-islands
Water: Tariff based on a consumption of 15m3 per month. Average tariffs per country weighted by population served. Source: https://tariffs.ib-net.org/sites/IBNET/VisualSearch/IndexCurrentUSD?RegionId=2&Weight=0&ServiceId=2&Yearid=0&perPage=50

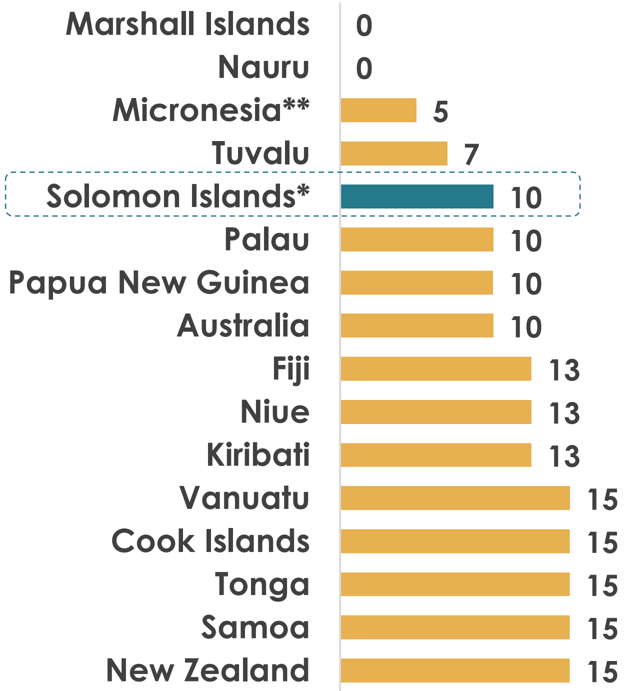
Consistent and reliable tax framework

- **Standard corporate tax rate of 30%**, aligned to most of the Pacific states including Australia.
- **Competitive Sales Tax (VAT) rate of 10%**, below the average rate in the region, ensuring a favorable tax environment.

Corporate Income Tax Rate in the Pacific, 2025 (%)



Sales Tax Avg. (VAT) Rate in the Pacific, 2025 (%)



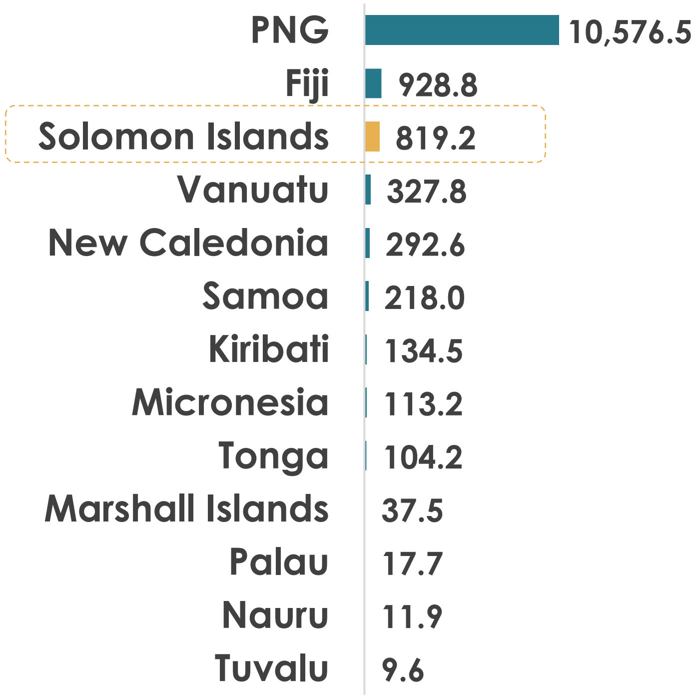
* 15% for import goods. Exempt: Education, medical, and exports
** Between 3-5 according to the region
Note1: Company Income Tax of 30% for locally registered company or 35% to foreign companies or branches of international companies.
Note2: Rates only for reference. They may vary according to company's sector, revenue, size, new legislation, etc.
Note 3 (VAT): All countries exempt certain products and economic activities or apply reduced tax rates to them.
Source: Tax Foundation (https://taxfoundation.org/data/all/global/corporate-tax-rates-by-country-2024/) - VatCalc (https://www.vatcalc.com/vat-rates/)

6 | Young, vibrant and educated workforce

invest solomons

Dynamic and youthful workforce

Pacific Island States Population, 2024 (Thousands)



Large population: 3rd largest in the Pacific region with over 819,200 people, providing a sizable domestic market and workforce.

Active workforce: 59.4% of the population is part of the labor force (422,700), ensuring labor availability for business operations.

Rapid growth: 2.38% annual average over the last 5 years, above Pacific Islands (1.17%), World (0.92%), and East Asia & Pacific (0.24%).

Young demographic: 64% of the population is under 30 (highest in the Pacific), offering a young, trainable workforce and a growing consumer base.

Labour force: population between 15-67 years old.
Note: Solomon Islands, as most of the Pacific Island States, faces challenges in labor availability due to ongoing outward migration, as many locals take up employment opportunities overseas, particularly through seasonal worker schemes.
Source: The World Bank Database (https://databank.worldbank.org/source/world-development-indicators#)

Educated and energized population

Significant education investment: Solomon Islands' government expenditure on education is 8.3% of GDP, exceeding the World 3.8%, East Asia & Pacific 3,4% averages (2023)

2 universities and 3 vocational training centers lead higher education in Solomon Islands

Solomon Islands National University (SINU)

University of the South Pacific's (USP)

Don Bosco Technical Institute (DBTI)

Australia Pacific Training Coalition (APTC).

Vatu Rural Training Centre

Source: The World Bank Database (https://databank.worldbank.org/source/world-development-indicators#)

7 Environmental protection

invest solomons

Regional leader in environmental preservation

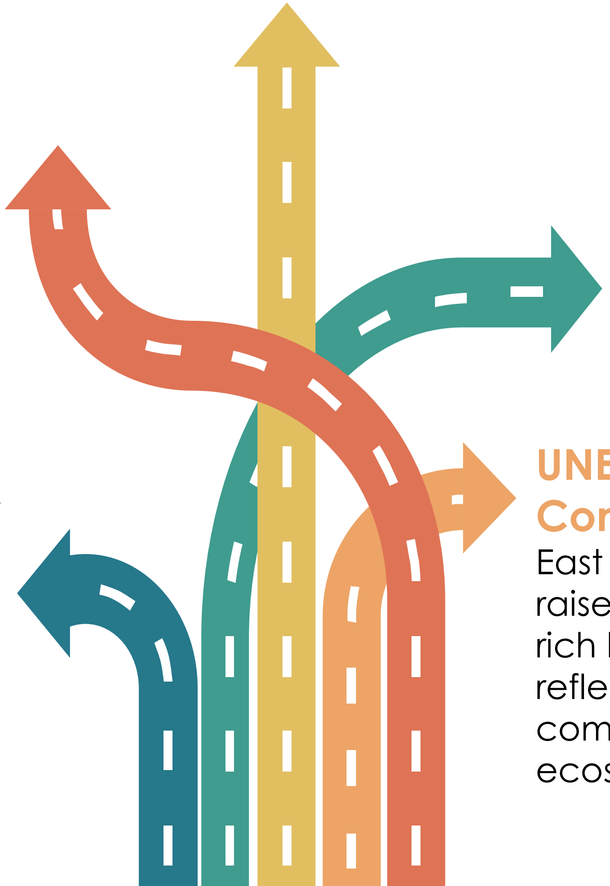
Protecting nature, reducing emissions, and preserving heritage

Protected natural areas

2.4% of terrestrial and 0.1% of marine zones are designated as protected areas, supporting biodiversity conservation and ecosystem resilience

Extensive forest coverage

90.1% of the country's land area is covered by forests, significantly higher than the Pacific island small states (68.7%), World (31.1%), and East Asia & Pacific (27.2%) averages for 2022



Strong environmental performance

Ranks 6^{th} in the Pacific in the Environmental Performance Index (EPI 2024), with top performance in climate change mitigation and air pollution control, ranking 2^{nd} after Vanuatu and Marshall Islands respectively

Low green house gas emissions*

Solomon Islands emits only 0.9 t CO_2e per capita, far below the averages for East Asia & Pacific (9.1), Pacific island small states (6.4), and the world (6.4) for 2023

UNESCO World Heritage Conservation

East Rennell is the world's largest raised coral atoll. It is renowned for its rich biodiversity and endemic species, reflecting Solomon Islands' commitment to safeguarding fragile ecosystems

* Excluding LULUCF
Source: The World Bank Database (https://databank.worldbank.org/source/world-development-indicators#) - https://whc.unesco.org/en/list/ - https://epi.yale.edu/downloads/2024-epi-report-20250106.pdf


Invest Solomons
Part of the Ministry of Commerce, Industry, Labour and Immigration
Unlock the possibilities in Solomon Islands
www.InvestSolomon.com
www.solomons.gov.sb/ministry-of-commerce-industry-labour-and-immigration
www.solomonbusinessregistry.gov.sb
Mendana Avenue, P.O Box G26, Honiara - Solomon Islands
Facebook.com/sigMCILI/
Ldawheyal@commerce.gov.sb
siallyngumi.turanga@commerce.gov.sb
+(677) 20521
invest solomons