Solomon Is.

invest solomons

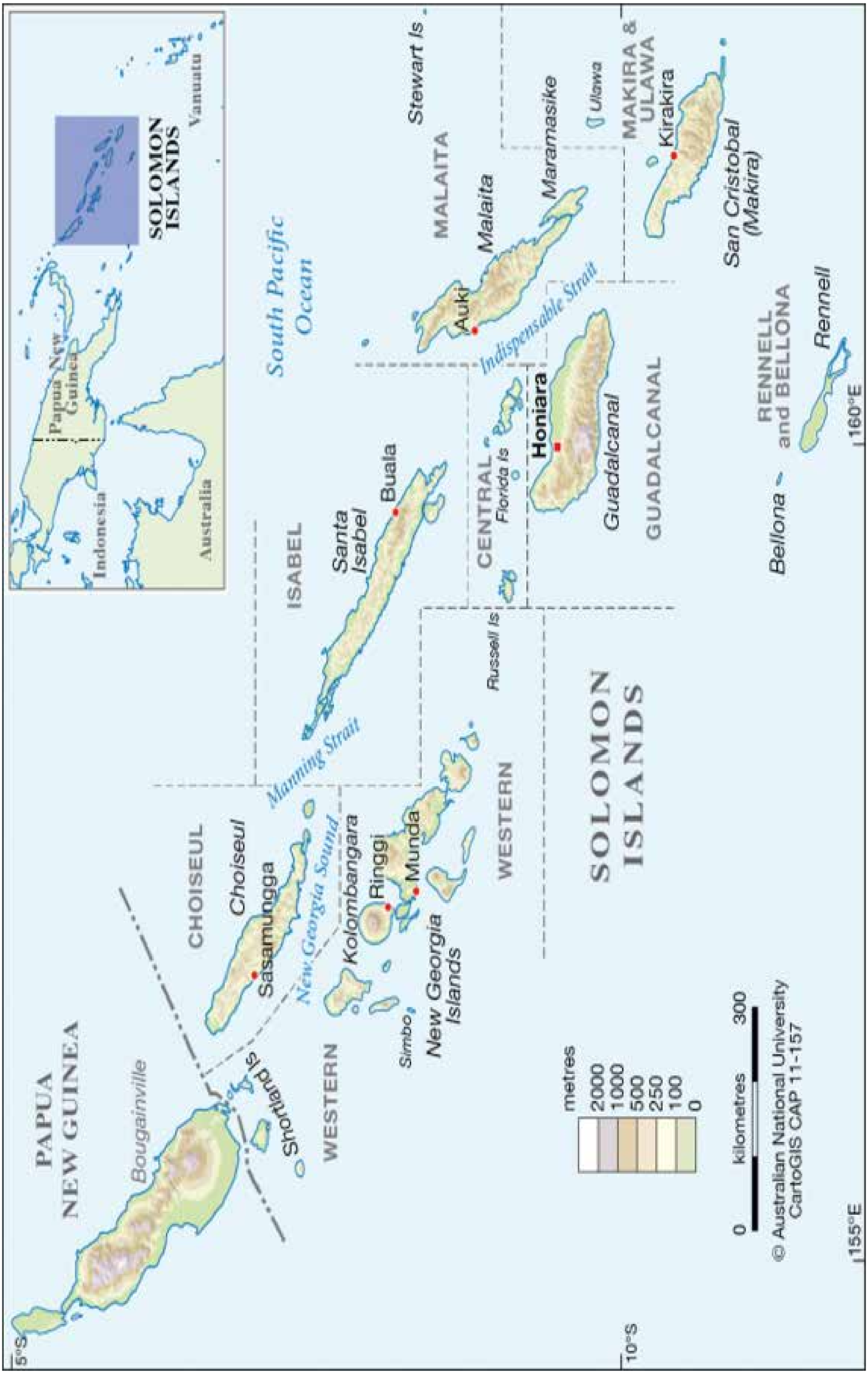
SOLOMON ISLANDS GOVERNMENT

SOLOMON ISLANDS INVESTMENT POLICY AND PROMOTION STRATEGY 2023–2043

Ministry of Commerce Industry Labour and Immigration
2023


"Your first point of
call to do
investment in
Solomon Islands"

Map of Solomon Islands



Forward

Solomon Islands is endowed with many natural resources, however, our economic performance record shows, a failure in translating that wealth into meaningful economic results, as shown by increases in household incomes, increased national output production, and elevated general economic prosperity.

In fact, in the last forty-three years since independence in 1978, the economic growth rate has been negative, on average. This implies economic policy-making had failed to drive sustainable economic wealth creation. Instead, consumption production was allowed to exceed investment, curbing national production, therefore, fuelling consumption demand and subjecting the economy to inflationary pressure.

The Solomon Islands Government (SIG) is concerned about this, and through the Ministry of Commerce, Industry, Labour and Immigration, a renewed effort is being hatched to check this inflationary situation by aggressively generating investment, especially Foreign Direct Investments (FDIs) to headline a national concerted effort to increase national production. The intention is to increase production beyond consumption, allowing the excess output to form part of the national exports. The SIG will take a pragmatic approach in this regard, first, by ensuring there is in place a robust Investment policy framework that is supported by a practical promotion strategy.

This document commences the journey to turn Government intentions into practical actions that hopefully will set-off a whole of Government pro-action to generate a concerted drive towards securing greater investment in production activities. The focus will predominately be on generating an increased inflow of Greenfield Foreign Direct Investment (FDIs), Acquisitions and Mergers (A&Ms), Joint Ventures (JVs) and portfolio FDIs as well. Domestic investments are also part of this concerted drive, however, at this stage, outward investment by residents is not a part of this effort.

Ensuring the policy and strategy document is in place is so important to outline Government priorities, how it intends to achieve them and infuse transparency and predictability for potential investors. In terms of Solomon Islands competition, PNG and Fiji and to an extent Vanuatu are quite ahead, but it is possible to make a start, to carve Solomon Islands foot-print among potential investors in Australia, New Zealand, and South Asia. These are the same markets the competition target and so, it is so important that the Solomon Is. brand is competitive and can be part of the decision-making mapping of these potential investors.

Secondly, a review of the relevant legislations will be accelerated to ensure a conducive investment environment is created. In this connection, my ministry will work closely with the OPMC, AG's Office, and other relevant Ministries, Agencies and Offices to pursue the review so that a harmonized and coherent legislative review approach is taken.

Thirdly, and in connection with the second point, an inter ministry coordinating committee will be established to assist MCILI to achieve the necessary reforms needed to bring forward this new front on generating investment.

Clearly investment is so critical to economic development. While private initiative is always appreciated, the SIG will take the lead in promoting investment. In this regard, the Government will reform Invest Solomon so that it will become an effective, sufficiently resourced and capable corporate entity, having the capacity to be able to build Solomon Islands' image and market our brand Solomon Is. as a preferred investment destination.

Against its competition, Solomon Islands trail the other countries and much work need to be done going forward. However, I'm confident with what the new reorganized Invest Solomon will be able to deliver. Building on lessons learnt, the SIG will model the reorganized Investment Promotion Authority (IPA) to benefit

from, the efficiencies of a corporate body operating under its own Act, and organizational processes, free from the inefficiencies so often associated with public administration. One of its greatest advantages is, it will focus more on performance than on process. Our target is to at least secure five credible, quality, and sustainable Greenfield FDIs every year for the next twenty years from 2022 onwards.

Finally, may I on behalf of the Solomon Islands Government (SIG) express my profound gratitude to the Permanent Secretary, the Foreign Investment Division team, and other officials who had played a part in the formulation and completion of this important document. I urge the team to hold on to the same commitment, to ensure this document, is implemented steadily and fully.

____

Hon. Fredrick KOLOGETO

Minister for Ministry of Industry, Commerce, Labour and Immigration

Introduction

This investment policy and promotion strategy, is a rolling document intended to provide continuity and stability, in the next twenty years of its life. The document has been uniquely designed, to accommodate the short-term orientation of a policy, and long-term emphasis of a strategy, with the former, structured as a rolling five - year term policy, to provide flexibility to accommodate evolving changes, and the opportunity for continued refreshing, over the twenty-year life of the promotion strategy.

It was possible to work on this time structure, as image building and promotion work, which in other contexts, are usually provided by different organizations, will all be part of the functions that will be performed by the new Investment Promotion Authority (IPA) of Solomon Islands, an outcome envisaged in this new Investment policy and Promotion Strategy. As the Minister has foreshadowed in his prelude statement, the policy will reorganize Invest Solomons into a Statutory Authority operating under an Act of Parliament with a Board as the oversight governance body.

Although the investment policy and promotion strategy, are integrated in one document, each has a different purpose. The policy seeks to help create a conducive investment environment, as well as lead the effort to build a marketable image for Solomon Islands. The strategy on the other hand, aims to embody the activities that are necessary for the generation of investment, including marketing the brand, creating investment leads and following up on them, providing after care support services, investment protection and monitoring and evaluation. These are activities that relate to the performance of an IPA, therefore, are usually discussed against the extent to which, specified Key Performance Indicators (KPIs) have been achieved.

In terms of inclusiveness, my Ministry, constrained by restrictions on personal contact and movement because of COVID, had not consulted widely with all the Provinces and with stakeholders in Honiara. However, a socialization process for validation and knowledge sharing will be undertaken as part of the implementation activities incorporated in the Implementation Plan. We had also learned from Fiji and PNG on how their respective IPAs are organized. These have been fruitful study visits, from which we a have been able to discern, the best configuration for the new Investment Promotion Authority for Solomon Islands, after weighing the pros and cons for each of the cases from Fiji and PNG. Without resources to establish our own trade and investment Offices in key strategic locations, such as Sydney and Auckland, engaging with the PTIs will be valuable. The new IPA, when established will engage with the Pacific Islands Forum (PIF) offices in these locations to leverage their knowledge, presence and networks for Solomon Islands to promote our brand and create investment leads in Australia and New Zealand.

These liaisons will commence the possibility of establishing formal relations, maybe in the form of concluding Memorandum of Understandings (MoUs) with both offices. This is an innovation which will greatly enhance our promotion strategy.

As investment promotion is fundamental to attracting FDIs and enhancing the long-term benefits of investment to Solomon Islands, my team had taken exceptional creativity to ensure accepted international best practices are embedded in the promotion strategy. These includes in order of importance:

i. developing an inward investment website that is capable of making automatic content adjustment based on the country IP address from which the website is accessed;

ii. targeting not only the end users but also the intermediaries and advisors who advise and influence investors especially MNEs on key matters as investment locations;

iii. focus also on subnational areas (Provinces) apart from the main urban areas (Honiara);

iv. focus on supply chain development and linkages to embed investors in local economy and create multiplier impact;

v. establish a “fast-start “program assisting with initial investment, pre-hiring, and with training; and

vi. establish a CRM system to track investors for ease of control and monitoring.

We anticipate, with this policy and strategy, the old ways of loosely offering investment just anyhow even to potentially shady parties will be displaced. Instead a more coordinated approach will be hatched led by the newly established IPA to ensure every foreign investment interests are thoroughly evaluated to determine their credibility, financial standing and performance track record before these are processed for approval. Conversely credible investors, known by their brand and international standing, will be fully assisted to ensure they are able to start their operations as quickly as possible.

This means no other Government Office, or Ministry, will be able to deal with foreign Investment interests, pre-establishment, and only the new IPA will perform this function. All the other offices and Ministries will identify and provide the opportunities to the IPA, whose responsibility it is to promote them and secure investment interests in them. This is an opportunity for our country to correct what has been, a chaotic situation that has negatively impacted Solomon Islands’ image among investors. It is also an opportunity, for informing potential investors, of the new changes that will be taking place, aimed at improving ease of doing business, facilitation, more protection for investors and improving the investment environment by enhancing transparency and embedding non-discrimination.

I’m so pleased that having spoken about it for a while now, my ministry has finally brought this investment policy and promotion strategy to being. That has been a great achievement for us but, I’m also pleased that just very quickly (recently in 2024) after Cabinet approval of the Policy and Strategy, The FID team had worked earnestly to complete the implmentation Plan for the NIPPS. This now available. Full credit to the Director, Sially, Lonsdale and the rest of the team!

With these in place, I wish to thank the hard working team and the consultant for a job well done.

Our challenge now is, to implement the specified actions that are in the implementation Plan (IP), so that the anticipated benefits of the NIPPS can be brought to bear, in support of job creation, technology transfer, export production, GDP growth and general economic development of our country.

Riley MESIPITU (Mr.)

Permanent Secretary of Ministry of Commerce, Industry, Labour & Immigration

Table of Content

A: Background

This document encompasses the Investment Policy and Promotion Strategy of Solomon Islands. It is administered by the Invest Solomon, currently a Division within the Ministry of Commerce, Industry, Labour and Immigration (MCILI). This document succeeds all existing documents pertaining to the same subject matters and has a term of twenty (20) years, commencing from 2022 to 2042.

While this long-term orientation provides continuity and predictability, the policy is a rolling document intended to be adaptable, to accommodate evolving changes which are bound to happen as a result of the fast, ever changing environment. As a rolling document, the policy will be refreshed and updated every five years, to allow for necessary changes to be reflected.

I. Context

Solomon Islands is, located in the Melanesian subregion in the Pacific, bordering Papua New Guinea in the North-West and the Republic of Vanuatu in the South- West. With a population of over six hundred and ninety thousand (690,000:2020) people growing at a rate of 2.1 percent per annum, Solomon Islands are a growing market, able to sustain investment growth for investors, investing in import substitution.

The Melanesian subregion, comprising five Melanesian countries in Fiji, New Caledonia, Papua New Guinea, Solomon Islands and Vanuatu are in close proximity to each other and under the MSG trade agreement are able to trade with each other providing a combined market of around 12 million potential consumers. which is expected to grow to 18 million by 2050 of which Solomon Islands population will account for about 0.05 percent.

Melanesia also hosts the bulk of FDIs flowing into the Pacific which in 2019 was valued at a total of US1.139 billion out of a regional total of US1.191 billion or about 96% of total FDIs inflow into the Pacific.

With these features, Solomon Islands is in a subregion that is dynamic, offering a huge market for investors with a combined population of approximately 12 million people, the biggest population compared to that of the Polynesians and Micronesians which combined is only 1.215 million people. The Melanesian population is expected to grow to 18 million by 2050 of which Solomon Islands can expect its population to grow to 1.2 million people around that time. A growing market with increased entrepreneurship are pre-conditions for economic expansion which is good for assuring investor profitability.

Also the most advanced economies in the Pacific, outside of Australia and New Zealand, are co-located in Melanesia. Among the advantages are, competitive markets, economies of scale in production and interlinked multi-sectoral supply chains which create numerous opportunities for investors. Therefore, deciding to invest in Solomon Islands promises exciting benefits for a prospective investor.

Solomon Islands are a democratic country and an open economy, which, despite the impacts of COVID 19, has been able to record moderate positive growth which is expected to pick up going forward. The country has natural comparative advantages in forestry, mining, fisheries and agriculture.

On ease of doing business, Solomon Islands is ranked 136 (2019) out of 190 economies. Despite this lowly ranking the Government is committed to continue to work with its partners to identify and address the issues and move up the ladder as in 2018 it ranked 115 out of 190. All this to improve on the ranking, to ensure Solomon Islands is a preferable investment destination.

With stiff competition by Fiji and PNG, who are already ahead in many measures, Solomon Islands must be smarter and offer, not only natural comparative but competitive advantages as well, for prospective investors from anywhere in the world, in line with its foreign policy posture of friend to all, enemy to none. For purposes of prioritisation, the look north policy is still embraced to target, the Australian, New Zealand, and Asian markets, and also within the Pacific targeting PNG and Fiji.

Other positives include a relatively weak currency among currencies in Melanesia. This provides a competitive edge in terms of cost of exports which are relatively cheaper and, cost of labour, which is also relatively cheaper.

The population is relatively younger (43 % are between the ages 15-59) therefore providing an abundant supply of cheap labour to meet the human capital requirements of firms. With a national university, offering a broad variety of training courses, and a good number of vocational training centres situated around the country, training this human capital resource in country is feasible. In addition, Solomon Islands hosts the APTC Country Centre, for Kiribati and Solomon Islands. The Centre provides Australian standard training, for all types of trades and is available for investors that are looking to develop higher skills for their personnel.

With help from its partners, the law and order situation has improved significantly and an independent, trusted and vibrant judicial system is capable of protecting the interests of investors.

II. Scope of this policy and Strategy

This policy and promotion strategy, covers all types of investments including Foreign Direct Investment (FDIs), local investments by the State and private sector, but excludes outbound investment by Solomon Islanders.

It is a rolling document covering the next twenty years to 2042. This long-term focus provides stability, consistency and predictability. Despite this rolling nature, the policy actions are short-term in nature providing assurance of adaptability to ensure the policy and strategy are current and relevant, and able to accommodate changes to the investment climate, brought about by unforeseen shocks caused by major economic calamities, natural disaster or political change.

III. Alignment with Government policies.

The policy and strategy aim to increase investment in the overall economic development effort to increase economic productivity, generate employment opportunities, and expand industrialization in Solomon Islands. In this regard greenfield FDIs will be aggressively promoted through the Invest Solomon working in partnership with Solomon Islands missions abroad and various business councils that are already in place or which will be established as part of the investment promotion strategy to assist the FID with promoting Solomon Islands as the preferred investment destination in the Pacific.

Going forward Invest Solomon currently located as a Division within the MCILI will be reformed and modernized into a statutory body. The aim is to reform the entity for it to become a semi-independent IPA capable of attaining and nurturing its own capacity to manage a full suite of investment promotion, generation and facilitation services.

This policy and strategy, are consistent with and informed by, the Government's policy framework for stimulating economic development and National Development Strategy (NDS), especially around, the goal for generating investments, for sustainable economic development and poverty alleviation.

IV. Vision and Mission

Vision

Solomon Islands will be the preferred destination for sustainable investment in the Pacific.

Mission

Through Invest Solomon, Solomon Islands will strive to secure an increased number of quality and sustainable investment by providing fair, transparent, consistent and predictable investment guidelines which all investors are expected to adhere without unnecessarily increasing their research and scoping costs to assist in making their investment decisions regarding whether or not investing in Solomon Islands will most likely be a profitable undertaking.

V. Goals and objectives

Goals:

- Drive sustainable development
- Modernize Solomon Islands economy;
- Increase prosperity;
- Increase capital inflows;
- strengthen bilateral diplomatic relations;
- Promote Industrialization;
- Encourage import substitution;
- Remedy imperfections in Government investment decision-making;
- Promote SI as a trading hub;
- Increase the share of resource rents captured by resource owners; and
- Alleviate poverty.

Objectives

- Generate economic development.
- Broaden economic base.
- Increase investment esp. FDIs.
- Promote interagency collaboration.
- Increase export earnings.
- Promote innovation, technology. transfer and generate employment.
- Drive development of SEZs through PPP.
- Promote private sector growth and investment

VI. Guiding Principles

Recognizing the critical role of investment as an engine of economic growth in the global economy, the SIG will:

i. avoid protectionism in relation to FDIs except in reserved businesses and general Goods retailing.

ii. Ensure non-discrimination, transparent and predictable conditions for investment.

iii. provide legal certainty and protection of property rights of investors and investments.

iv. Ensure regulation relating to investment are developed in a transparent manner and embedded in an institutional framework based on the rule of law.

v. ensure policy consistency and coherence.

vi. reaffirm the right to regulate investment for legitimate public policy purposes.

vii. Ensure resource investments to be promoted by the state in partnership with resource owning communities to assure retention domestically of increased maximum economic benefit,

viii. ensure that all investors are aware of, and adhere to, international best practices and applicable instruments of responsible business conduct and corporate governance.

ix. Work closely with the international community to cooperate in maintaining an open and conducive policy environment for investment, and to address shared investment policy challenges.

(Adapted from the G20 investment principles)

- Improving flexibility in Land ownership;
- Set in pace a liberal agriculture policy;
- Set in place a liberal pioneer industry;
- Set in place liberal Sector-specific policies;
- Reserve and grow small & medium sized enterprises (SMEs& MSEs);
- Remove restrictions and open up investments in alternative and renewable energy;
- Encourage investment in research and human resource redevelopment;
- Fast-track Utilities reform to improve competition and reduce cost;
- Establish a competition policy to govern market competition and ensure fairness in trade practices.

(note: more liberalization will be pursued progressively as demand increases).

B. Policy Statements

I. Improving the Investment Climate in Solomon Islands

The Solomon Islands Government will work with its partners, to remove all barriers to the conduct of business according to, due process of law and order, to assure investors of the protection of their investments, and provide clarity that they have the right and liberty to access, the courts in Solomon Islands, and if they so wish, can seek Government support to, access the international courts or arbitration systems.

In the meantime, building on the reforms made since 2006, the SIG, through Invest Solomon, working with other Government agencies and SICCI, will continue to invest effort to reduce the cost of doing business, streamline the processes of doing business including the establishment of a "one start-stop" –window operations and further improving the ease of doing businesses by establishing industrial estates and special economic zones (SEZs).

To improve policy coherence, linkages to trade, industrial and monetary policies will be established through establishment of intergovernmental and interagency committees as well as cross referencing of goals and objectives.

So as to ensure sustained knowledge sharing, and stratified sequencing, this policy shares information on the approach and intent of the ruling Government's investment priorities, in order to inform potential investors about how, what and when, they can expect to benefit from any promised incentives or assistance.

To this end, this investment policy will be rolled out in five year cycles aiming to at least have five opportunities to refresh and update the policies introduced in this strategy term of 20 years from 2022. Each of these policies will have a different approach shaped by the political manifesto of the ruling Government, however the underpinnings will basically be the same, that is, all investment policies will seek to reinforce the national effort, to generate increased investment, to succour the achievement of, the sustainable development goals and, drive social and economic development in Solomon Islands.

In this context while comparative advantage will remain important, increasingly investment will be promoted and generated on the basis of competitive advantages.

Policy Statements	i. This document is a rolling document and will remain valid for the next twenty years to 2042- with the investment policy to be refreshed and updated every five years. ii. Through the relevant Offices, all relevant legislations will be reviewed to ensure clarity, consistency and coherence. iii. This policy and strategy document is linked to the trade, industrial and monetary policies. iv. The Solomon Islands Government will initiate the Processes for streamlining ease of doing business. v. The promotion effort will focus on competitive advantage i.e.; on sharing knowledge on quality and quantity of natural resources, strength of currency, state of infrastructure, state of the economy and quality of research and development.
Policy Goals	• Assure policy stability, continuity and predictability. • Strengthen policy coherence and consistency. • Improve ease of doing business.
Actions	• Establish a policy dialogue committee. • Cross reference the three policies. • Finalize SEZ legislation

II. INVESTMENT GENERATION

The SIG through the Invest Solomon will seize every opportunity that are present through promotion, referrals, enquiries and regional and international fora to secure foreign investment targeting greenfield FDIs, but also portfolio, A&M and JVs. In this regard the SIG will pursue a liberalized investment regime aiming to:

- liberalize its Immigration law;
- easing registration and entry requirements;
- Improving flexibility in financial procedures;
- improving flexibility in Land ownership;
- set in pace a liberal agriculture policy;
- set in place a liberal pioneer industry;
- set in place liberal Sector-specific policies;
- reserve and grow small & medium sized enterprises (SMEs& MSEs);
- remove restrictions and open up investments in alternative and renewable energy;
- encourage investment in research and human resource redevelopment;
- fast-track Utilities reform to improve competition and reduce cost;
- establish a competition policy to govern market competition and ensure fairness in trade practices.

(note: more liberalization will be pursued progressively as demand increases).

Policy Statements	i. SIG will resource invest Solomon to aggressively generate investment targeting greenfield FDIs. ii. establish a reform taskforce to drive the implementation of the identified reforms; iii. leads identified through promotion, referrals, enquiries and direct marketing will be followed up. iv. Enabling support will be packaged and made available to prospective investors. v. A list of pipeline investment opportunities will be developed as a prospectus and presented to prospective investors (See appendices).
Policy Goals	• Improved innovation, technology transfer and employment creation. • Increased foreign capital inflow. • Diversified economic base.
Actions	• Increased budget allocation for Invest Solomon. • Increased personnel deployment. • Appoint members of taskforce and draft ToR. • Direct dialogue with prospective investors. • Invite MNE executives to visit SI as guests of SIG. • Explore and compile list of pipeline opportunities.

III. INVESTMENT PROTECTION

The SIG through the proper agencies including the Invest Solomon will provide a safe environment in order to promote and attract investments which are important for sustained economic growth and ensure that the judiciary treats them as any other corporate citizen providing unhindered court access, fairly and without cause for fear.

- protect in the appropriate laws Investor Rights;
- respect their right to due process of Law;
- Enhancement of Physical Security through installing CCTVs in proximity to their physical premises at cost borne by the state as part of its law enforcement strategy;
- provide assurance of Intellectual Property Rights (IPR) Protection;
- ensure investors have access to the legal Dispute Settlement mechanisms including assisting investors access international system.

Policy Statements	i. The foreign investment Act will be reviewed to clearly provide for protection of investor rights including IPR and dispute settlement. ii. SIG will promote Solomon Islands not only based on its comparative advantages but increasingly on its competitive advantages as well. iii. The SIG as part of its facilitation and aftercare services will bear the cost of installing security assets including perimeter fencing and CCTVs etc in the compounds of FDIs.
Policy Goals	• Protect and secure investor rights and investments. • Solomon Islands offers competitive investment conditions.

Actions	• Appoint through open tender a consultant to review the Foreign Investment Act and related legislations with ToR requiring provisions of remedies for issues raised in the policy statements.. • Provide sufficient budgets to Invest Solomon to facilitate the provision of security infrastructure and populate information on competitive advantage in website and state of investment climate flyers.

IV. ESTABLISHMENT OF SPECIAL ECONOMIC ZONES (SEZS)

The SIG is pushing through with the final drafting of the country's Special Economic Zones (SEZ) Act to commence the process of establishing SEZs around the country. A number of sites have been identified and once SEZs are operational these will likely operate as separate customs territories with special incentive packages available to greenfield investors. At this stage intention is to allow only new investments to operate in the SEZs which will be developed largely through Public Private Partnership (PPP).

The government is keen to see the SEZs as a pull factor for investors and therefore the infrastructure development in the zones will be cutting-edge supported by world class services including finance, real-estate, insurance, medical, tourism, catering, education, marketing, shopping and transportation services.

Policy Statements	i. SEZs will be an important strategy for generating investments in Solomon Islands. ii. The State will promote investment in SEZs through PPP JVs with Foreign and local communities to stimulate development of SEZs. iii. Where MNEs are involved they will be allowed to have control shareholding in the specific investments subject to an acceptable time-bound phase-down agreement.
Policy Goals	• Progress SEZ development across Solomon Islands. • Increase local community participation in economic development. • Diversify base of the economy. • Increase industrialization in Solomon Islands.
Actions	• Complete and pass SEZ legislation in Parliament.

V. FACILITATION

Investment facilitation involves a whole-of-government approach to encourage responsible and sustainable investments by providing new and existing investors with a transparent, predictable and efficient regulatory and administrative framework for investment. It combines tools, policies and processes that should be adopted by host countries to reduce or eliminate potential and existing obstacles faced by investors once they have decided to invest, and maximise the positive contributions of investment to the economy.

Investment facilitation can include the following:

Tools to help investors navigate through the various regulations and procedures when investing, such as: One-Stop Shop (if appropriate) or single window for incoming investors; online business registration system; information portal on legal and administrative procedures to start and operate a business; client service charters for all authorities dealing with investors; systematic aftercare services to existing investors, with a focus on those with strong International Banking (RBC) records.

(Note: it is recognized globally that investors with a good record and in good standing with the RBC are strong and safe investors).

Policies to improve the transparency, predictability and effectiveness of the investment environment, such as: sound and consistent legal framework for investment; regulatory measures to simplify/streamline administrative procedures; good governance laws and mechanisms; policies to provide an enabling environment for investors to act responsibly and sustainably.

Processes to make these tools and policies useful and impactful, such as: public-private dialogue; inter-agency co-ordination; capacity building for IPAs and other public officials; and, monitoring and evaluation of existing tools, mechanisms and policies.

Once an investor especially a greenfield investor has made a decision to invest in Solomon Islands after Invest Solomon has completed its due evaluation and determined they are a quality and credible investor, the SIG will facilitate the establishment of the investment in-country and will continue to facilitate the needs of the investors at all stages, from the pre-establishment phase, through investment installation, to services throughout the lifespan of an investment project. This encompasses a broader definition of investment facilitation.

The SIG through the Invest Solomon and other Government agencies perceives investment facilitation not as a subset of investment promotion but a much broader function of an IPA that interacts all stages of the investment process. In this sense, investment facilitation is taken by the SIG as requiring whole of Government intervention and not necessarily just a function for Invest Solomon.

For purposes of this policy the SIG will especially facilitate the following:

- Entry Visa and business permits for investors that will operate in an SEZ and high end quality and sustainable investors;
- Investments by Solomon Islands diaspora;
- Women Entrepreneurs and SMEs;
- Reserve/negative list (especially JVs)

VI. PRIORITY SECTORS

As an open economy the SIG is keen to open all economic sectors, except sectors in the reserve list, for investment especially through FDIs. The government of Solomon Islands considers the private sector to be the engine for economic growth and development. Invest Solomon and other government departments will facilitate in order of priority greenfield, brownfield, A&Ms and JVs foreign investments which demonstrate ability to:

- Strengthen the technical and marketing expertise of the private sector;
- Maximise the use of local raw materials in the various value chains in the production process;
- Promoting export and import substitutes;
- Creating employment for and training of Solomon Islanders;
- Transfer and integrate knowledge and technology into the economy;
- Have a vision for a long term investment in the country.

The following key sectors have been identified as the primary sectors to be targeted for investment:

- Tourism Development – high end accommodation/resorts
- Fishing, fish and marine products processing;
- Food and agribusiness
- Timber processing and furniture and kit homes manufacturing

- Mineral prospecting and mining
- Infrastructure
- Transport and telecommunication services
- Education
- Medical
- Real-estate;
- Manufacturing;
- Professional sports development;
- Shopping (plazas and super markets);
- Carbon trading and Payments for eco systems; and
- Any investment activities not in the reserve list.

(Source: MCILI)

Policy Statements	i. Formulate a marketing prospectus Incorporating key sectors. ii. Formulate a communication strategy for the prospectus. iii. Review and refresh priority sectors every year. iv. The reserve list will be phased out and instead of focusing on activities will be developed on the basis of value of investment. In this connection, SMEs are reserved types of business. v. For mineral and petroleum/natural gas prospecting and mining investments these will be promoted as JVs with the State and communities. vi. In light of the saturation in General trade stores in Honiara, the SIG will place a moratorium on general trade store investments for the next ten years instead investments will be encouraged in specialist shops, supermarkets and department stores.
Policy Goals	• Increased awareness of key sectors. • Increased investment in key sectors • Increased and fair benefit sharing for Government and resource –owners. • Create balance in the economy.
Actions	• Appoint expert to develop prospectus. • Include prospectus in marketing and promotion strategy. • Produce and issue an updated prospectus every year. • Incorporate trade store moratorium and reserve type of businesses, and JVs in mining in relevant regulations.

VII. BRANDING

As part of contributing to the image building of Solomon Islands, the SIG will develop an export brand which all export producers are required to show on their products. The SIG will task invest Solomon to work with SICCI to ensure this brand is developed and available in the next five years. The necessary legal accommodation will be provided in the appropriate laws either the Foreign Investment Act or another legislation.

The brand will be provided at a fee to qualifying products that meet Solomon Islands production quality standards and ISO standards. The fee will be prescribed in legislation. The brand will also be protected under legislation as a trade mark and it will be an offence for any producer to use it on their products without due approval by invest Solomon.

Policy Statements	i. SIG in collaboration with SICCI, AG's Office and RG's office will develop and apply an export brand for use by all export producers. ii. The export brand will be enforced by legislation and administered by Invest Solomon for use by exporters for a fee.
Policy Goals	• Promote SI brand • Foster trust on the quality of SI exports.
Actions	• Establish a brand committee with SICCI. • Agree on design criteria. • Invite through open tender submission of designs based on criteria.

VIII. EXPORT PROMOTION

One of the fundamental tenets of generating investments is to increase production for exports. While exporters are expected to secure their own overseas markets, the SIG will endeavour to enter into bilateral and multilateral trade agreements and economic partnerships to assist secure overseas markets for Solomon Islands exporters.

At this stage Solomon Islands is a party to the MSG free trade agreement which allows duty free and tax free exports of originating products produced in Solomon Islands into Fiji, Papua New Guinea, and Vanuatu. Solomon Islands is also a party to PICTA free trade agreement which provides the same benefits for Solomon Islands originating products into every country in the Pacific Islands that are members of the Pacific Islands Forum except Australia and New Zealand. Then there is the PACER Plus agreement which among other provisions provide duty free and tax free access for Solomon Islands originating products into the Australian and New Zealand markets. Other Forum Island countries that have ratified the agreement can also be accessed under the agreement. Finally, there is the interim EPA with the EU which Solomon Islands has signed and ratified which provides duty free and tax free entry for Solomon Islands originating products into Europe.

In total there are four formal trade agreements that Solomon Islands is a party to and combined they provide a huge export market for Solomon Islands exports to be exported duty free and tax free to Australia and New Zealand, 16 countries in the Pacific, four countries in the Melanesian subregion and 27 countries in Europe. These opportunities will be marketed as part of the incentives that existing and prospective investors can benefit from and enhance Solomon Islands competitive advantage as a preferred investment destination. Recently PRC has extended a non-reciprocal bilateral trade agreement to Solomon Islands that provides for duty free and tax free exports of primary produce from Solomon Islands into the huge Chinese market. This regime is available immediately to Solomon Islands exporters. Finally, as an LDC under GSP, Solomon Islands has non-reciprocal preferential access to overseas markets for its exports.

To facilitate international trade, the CBSI has a trade credit facility that exporters and importers can access while all commercial banks can provide letters of credit to credible importers and exporters.

Policy Statements	i. Solomon Islands will continue to negotiate more bilateral trade agreements. ii. Existing trade agreements will be socialized to all exporters. iii. Commercial banks through CBSI will be required to simplify procedures for trade finance to support exporters.
Policy Goals	• Secure more markets overseas. • Increase awareness on trade agreements and encourage increased participation by exporters. • Improve accessibility of trade financial services.
Actions	• Identify, negotiate and conclude 3 bilateral trade agreements in the first decade and 3 more in the second decade. • Organize quarterly information sharing sessions with all exporters. • Print and distribute pamphlets on each trade agreement • Upload information on each trade agreement on website. • Sign MoU with CBSI and Commercial banks.

IX. PROMOTED INVESTMENTS

Promoted investments refer to investments that have a critical strategic importance to Solomon Islands which the SIG has decided must be secured and facilitated. These are usually investments that have very strong credentials for contributing to the setup of pioneer industries and contributing to developing value chains connected to import substitution. In recognition that certain investments are critical to the promotion of the national economic development interest, the SIG through Invest Solomon, will seek out and dialogue directly with these investors on the basis that they have excellent track records known in the Pacific region, or have been referred by partners, for their quality investments in developing value chains, for either export production or import substitution, especially, if they are also able to generate youth and women employment and contribute to innovation and technology transfers.

In this connection, the SIG will be keen to discuss possible joint-venture arrangements with ICSI if that will help secure the investment, and through Invest Solomon and other Government Ministries and agencies, will facilitate the necessary requirements to ensure the investments are established. This special category of investments will be provided incentives, if they are needed, and aftercare support to ensure their requirements post-establishment are addressed. In general, the SIG will pay close attention to promoted investments to ensure they are retained, nurtured and are able to grow.

Policy Statements	i. Investments critical to promotion of the national interest will be promoted by the SIG. ii. SIG, through ICSI, will acquire stakes in promoted investment to secure their establishment. iii. if private local shareholding is justified, maybe to secure land/resource access, the State will provide some of its shares to the resource owners free of charge.

C. Investment Promotion Strategy

Investment promotion refers to all activities the FID undertakes to attract FDI to come and invest in Solomon Islands in any of the key sectors as well as what they do to encourage foreign investors to continue to invest and expand.

Promotion involves marketing targeting specific industries, activities, companies and markets, image building to foster the positive image of Solomon Islands and to brand it as a profitable investment, facilitation to provide investor servicing to facilitate their establishment phase, aftercare support aiming to retain established investments and to encourage reinvestment by existing investors in the challenges they face after their establishment, and monitoring and evaluation.

Fundamentally, promotion is about selling the brand, Solomon Is. So that prospective investors have knowledge and are aware of the content of the Solomon Is. Brand. Also promotion is about creating leads, following up on those leads and assisting interested investors to invest in Solomon Islands.

Finally, it is also very much about informing the global market about the roles and responsibilities of the promotion agency, and the decision-making processes of each respective investment aspect especially around, who makes the decision, how long it will take, and whether an appeal process is available to prospective investors.

To perform this role effectively, the FID will need to be sufficiently resourced both financially and technically in terms of personnel and technology. It will also need to be reorganized as in its current form, the Division is small, not well positioned to perform its roles effectively, isn't well resourced, does not have research capability, and is more reactive than proactive because of unclear policy direction, limited capacity and lack of vision.

Scope

This strategy is intended to assist Government agents to promote Solomon Is. Brand overseas aiming to create leads for investment generation involving especially greenfield, FDIs, A&Ms, JVs and brownfield FDIs as well. FID or whatever it's called after its reform, SIVB, overseas missions, Solomon Airlines, SIVB, private Sales representatives appointed by the SIG, and FID offices abroad.

Vision

Invest Solomon will be the best IPA in the Pacific.

Mission

Invest Solomon image building and promotion work will be so effective to generate an increased number of quality and sustainable investment.

Approach

This Investment Promotion Strategy embodies the national effort of the whole of Government to promote Solomon Is. brand as a preferred destination for prospective investors around the globe but focusing on targets markets in ANZ Asia and the Pacific.

Intentions of this strategy

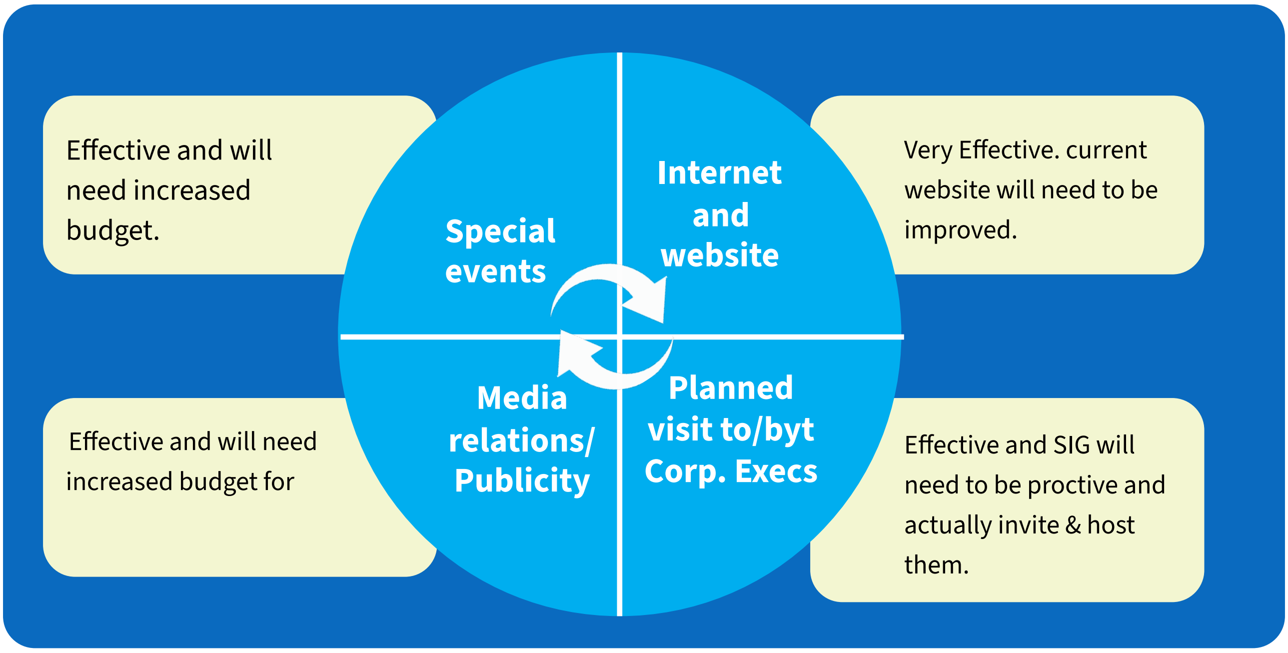
This strategy is intended to reposition the Invest Solomon as an effective IPA capable of promoting, generating, facilitating, retaining and supporting FDIs.

Ultimately the strategy will aim, to ensure an effective institutional arrangement is created, to build and promote Solomon Islands image, as the preferred location for quality and sustainable investment in the Pacific, which consequently and hopefully, will lead to increased inflow of FDIs into Solomon Islands.

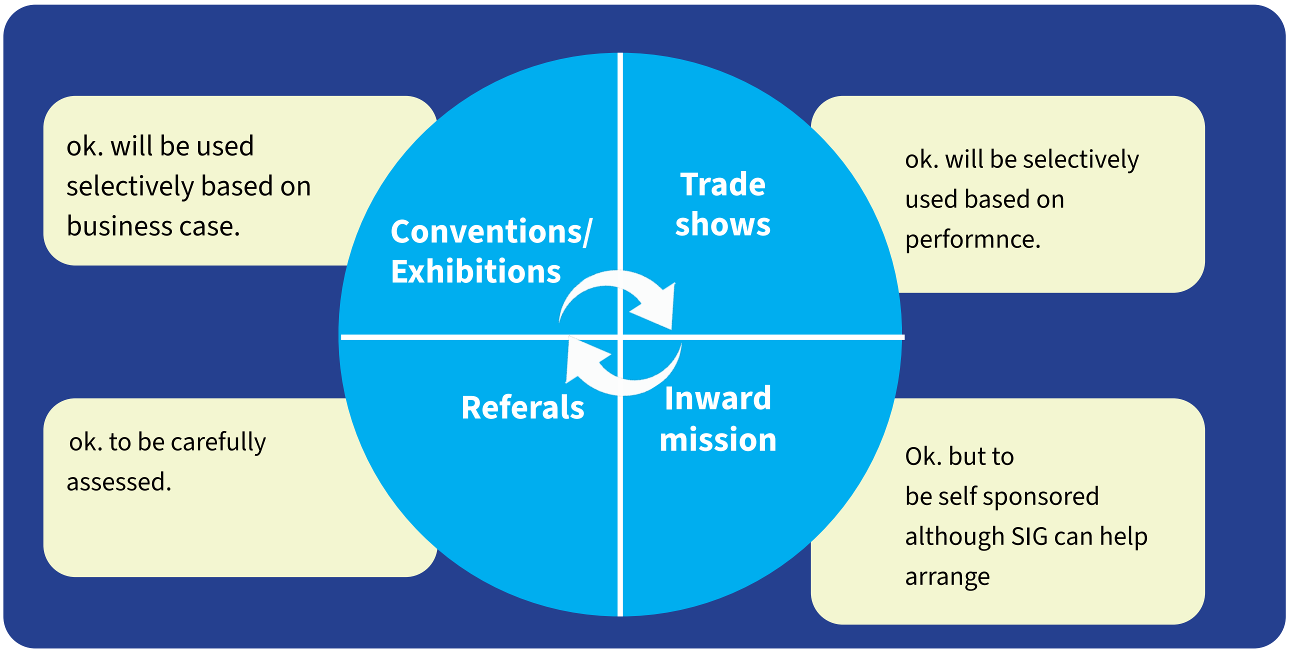
Promotion Techniques and Methods

In this strategy a combination of current and innovative techniques will be utilized for promotion purposes. A number of these innovations are informed by international best practice. The techniques listed below will be utilized:

Top four Techniques



Others



Of all these the most effective is internet and websites followed in the same order by planned visits by IPA principals and host country senior Ministers to meet with corporation executives, media relations and publicity and special events. On the other hand, the least effective methods include trade shows, inward FDI missions, Referrals by IPAs and business councils, and then conventions and exhibitions.

This ranking could be different for each country but for Solomon Islands especially under COVID 19, website and internet browsing would seem to have an edge over other methods because of its convenience, safety and least cost access. The downside of course is reliability and accuracy of information in the internet and websites which cannot be verified on time, and "time is money for investors". Therefore, it is incumbent on the IPA Solomon to ensure information uploaded in its internet platforms is accurate and reliable.

An associated issue which can make the difference between whether investors decide to locate in a particular location, is the timeliness of responding to enquiries. Often IPAs treat enquiries as a lowly routine role but it's so important to ensure potential investors are provided complete information about the location in question and so timeliness in responding to enquiries can be decisive in eventually convincing prospective investors to invest in Solomon Islands. This would suggest that it will pay an IPA and its hosting country to ensure all enquiries are responded to with accurate answers, on a timely basis, which implies that an IPA will, need to have capability to manage enquiries professionally, using both automated and manual protocols.

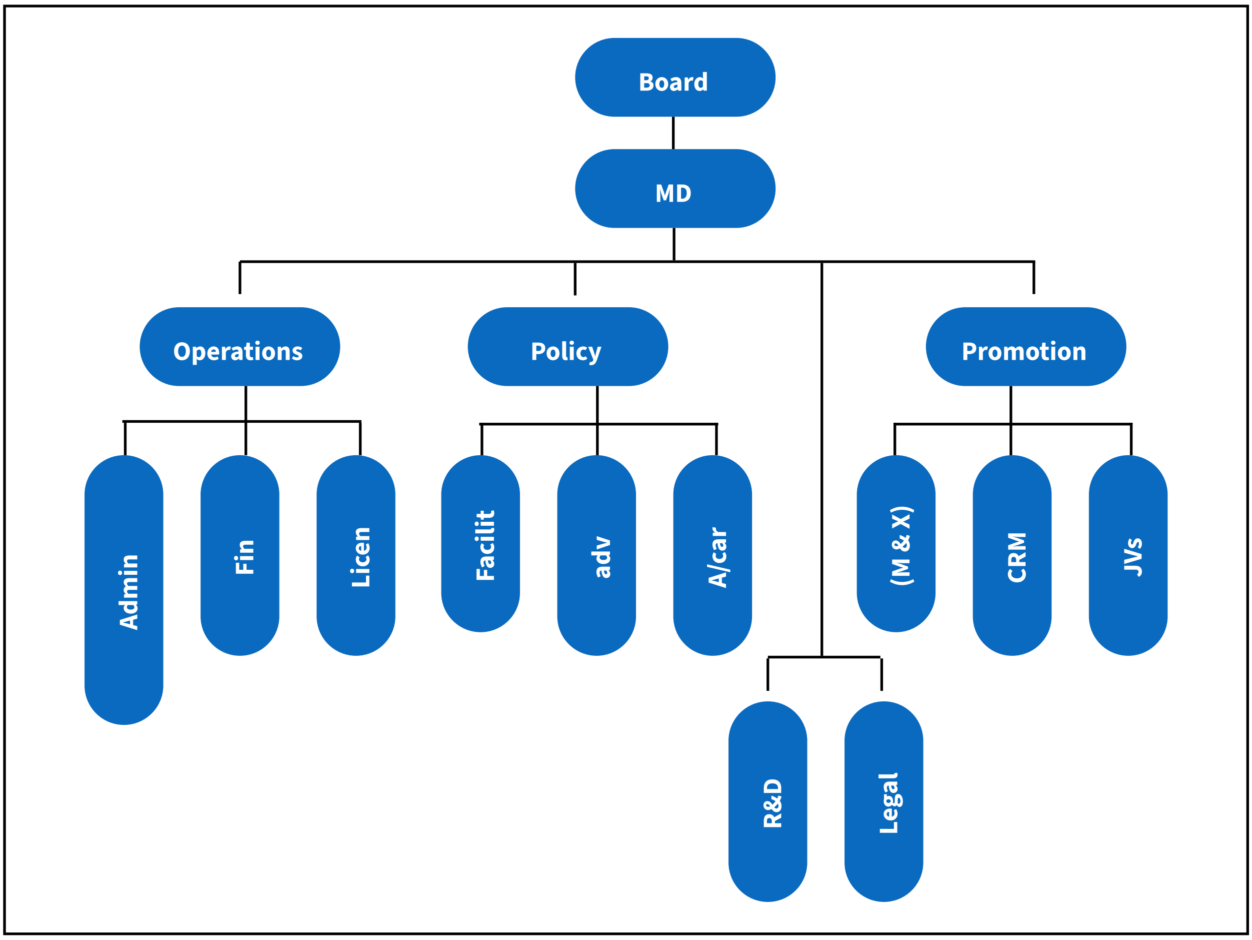
Unfortunately, the FID in its current form is devoid of this capability and going forward under the proposed reform of the FID, it will be a feature that will underpin the new reorganization, as would, the introduction of a new governance arrangement, a new corporate arrangement and addition of new posts-establishment support services including a CRM and M&E framework. All these are addressed in the next section. The respective policy statements are in the matrix below:

Policy Statements	i. SIG through Invest Solomon will utilize a mix of promotional techniques focusing on the effective methods for investment lead generation. ii. Invest Solomon will be provided capacity to efficiently manage enquiries. iii. Invest Solomon will be reorganized into a statutory body.
Policy Goals	• Improved knowledge and understanding of Solomon Islands' potential. • Increased use of Invest Solomon investment services. • Develop Invest Solomon into an effective IPA.
Actions	• Incorporate preferred promotion technique /method into work planning . • Allocate sufficient budget for implementation. • Provide additional capacity for Invest Solomon. • Formulate legislation to mandate reorganization. • Obtain Cabinet approval for administrative changes to begin..

I. INSTITUTIONAL ARRANGEMENT

- Reforming Invest Solomon into a Statutory Authority.
- Reforming some services of ICSI to be incorporated as part of new Solomon Invest.
- Reforming some services of CEMA to be incorporated as part of new Solomon Invest.
- In line with the policy prescription, the Invest Solomon will be reorganized into a Statutory body oversighted by a Board and reporting directly to the Prime Minister.
- This arrangement is encompassed in the diagram below:

Fig. 3. Proposed Organizational structure showing Governance and Divisions.



Legend:

MD – Managing Director, Admin– Administration, (M&X) – (imports & exports), JVs – joint venture with State, R&D – Research and Development, HR – Human Resource, CRM- Customer Relationship Management, A/care- after care. Facilit – Facilitation, adv-advocacy, Fin- Finance, Licen – licensing.

Proposed Core Functions:

Image Building:

Fostering the positive image of Solomon Islands and branding it as a profitable investment destination.

Investment Generation:

Deals with direct marketing techniques, targeting specific industries, activities companies and markets.

Investor Servicing:

Provide support to prospective investors in order to facilitate their establishment phase and managing enquiries.

Aftercare:

These services will be provided to investors post-establishment, and are aimed to retain established companies and encourage reinvestments, by assisting investors in the challenges they may face during operations, growth planning, and relationships with SIG and communities as well as compliance with the law identified through monitoring and evaluation.

Policy Advocacy:

Identifying bottlenecks in the investment climate and providing recommendations to Government to address them including ensuing other ministries and agencies are in sync with the whole national effort to increase investment including FDIs.

Research and Development:

In order to continue to be smart and intelligent, the new IPA will create its own knowledge and information base to be a repository of scientific knowledge the can be shared at a fee to others for further development if the knowledge is pioneering in nature.

Trade Development re export promotion and import sourcing:

(Currently done by CEMA and private entities but will be phased-in into Invest Solomon as part of its reorganization). CEMA will continue to perform its domestic marketing and produce consolidation while the exporting function will be performed by the new IPA (re-organized Invest Solomon).

Promotion of State Investments:

Some investments will require joint-venture with Government for them to be established (currently performed by ICSI but under new reform will be phased-in into Invest Solomon). ICSI will still remain the State entity that actually is the joint-venture partner, however, the negotiation and processing of the credibility of the prospective foreign partner will now be a role performed by the new reorganized Invest Solomon.

External Sales Offices:

As part of the strategy for promoting the Solomon Islands brand, Solomon Is. overseas, sales representatives will be appointed in selected strategic locations. Where there are Solomon Islands missions in those locations, a representative from the IPA, will be appointed and hosted in those missions. In locations where Solomon has appointed trade commissioners, their designations will be expanded to include investment promotion as well.

Also in locations where there are, Forum Pacific Trade and Investment offices, such as in Auckland, Beijing and Sydney, the IPA will negotiate a formal arrangement with the Forum for these offices to be part of promoting Solomon Islands.

In the long-term, the plan is the IPA will, subject to funding, open its own offices in the strategic locations purposely for marketing and promoting Solomon Islands, as well as creating, and following up on investment leads.

For some locations, such as London and LA in the US, given the complexity of the locations, the best approach would be to appoint private consultants/agents to promote Solomon Islands on a performance basis.

The rationale for being expansive its promotion strategy is simple- investment promotion is a serious business for generating investment therefore requires an elaborate, well organized, and coordinated approach, hence, why the SIG, with the IPA, will be fervently pursuing these reforms.

Resourcing:

In order to be effective, the new IPA must have the capacity, financially and technically, to be able to deliver its functions. In its formative stages, the SIG is expected to provide the initial budgets to support the work of the new IPA.

As the IPA matures, it will be able to sustain itself financially from the revenue activities that it will be responsible for including; *licensing, registration, facilitation, aftercare, CRM, information sharing, branding, exiting .*

The start-up capital will be provided by the SIG to the tune of an estimated SBD12 million for operations (67%) and some promotion costs (33%). Over time, which is expected to be 3 years after its establishment, the revenue activities should start to be operational, and the SIG funding will start to be wound back gradually.

The total SIG funding is envisaged to be **SBD36 million** for 3 years.

D. Strategizing the Policy and Strategy for implementation

Appendices

1. List of Abbreviations used

A&M – Acquisition and Merging

AG – Attorney General

ANZ – Australia and New Zealand

APTC – Australia-Pacific Training Coalition

CBSI – Central; Bank of Solomon Islands

CCTV – Closed Circuit Television Video

CEMA _ central Export Marketing Authority

CRM- customer Relationship Management

EPA – Economic Partnership Agreement

EU – European Union

FDI – Foreign Direct Investment

FID – Foreign Investment Division

GSP – Generalized Systems of Preferences

ICSI – Investment Corporation of Solomon Islands

IPA – Investment Promotion Authority

IPR – Intellectual Property Rights

JV – Joint Ventures

LA – Los Angeles

LDC – Least Developed Country

M&E – Monitoring and Evaluation

MCILI – Ministry of Commerce, Industry, Labour and Immigration

MNE – multinational Enterprise

MOU – Memorandum of Understanding

MSE – Medium Sized Enterprises

MSG – Melanesian Spearhead Group

NDS – National Development Strategy

OPMC – Office of Prime Minister and Cabinet

PACER Plus- Pacific Agreement on Closer Economic Relations – Plus

PICTA – Pacific Islands Countries Trade Agreement

PIF – Pacific Islands Forum

PPP – Public-Private Partnerships

PRC – Peoples' Republic of China

RG – Registrar General

SEZ – Special Economic Zone

SI – Solomon Islands

SICCI – Solomon Islands Chamber of Commerce and Industry

SIG – Solomon Islands Government

SIVB – Solomon Islands Visitors Bureau

SME- Small-medium enterprises

ToR – Terms of Reference

US – United States

WTO – World Trade Organization

2. List of Persons and Organizations met

Cabinet Coordinating & Monitoring Cabinet Committee (CMCC)

- • Hon. Prime Minister, Chairman of CMCC;
- • Deputy Prime Minister, Vice Chairman CMCC;
- • Hon. Clezy Rore, Minister of Commerce (Acting);
- • Hon. Harry Kuma, Minister of Finance
- • Hon. Jeremiah Manele, Minister of Foreign Affairs;
- • Hon. Bradley Tovusia, Minister of Mines;
- • Hon. Anthony Veke, Minister of Police;
- • Hon. Duddley Kopu, Minister of Infrastructure & Development;

Heads of Division, MCILI;

- Mr. George Eric O, DST
- Mr. Hunter M, DSAP
- Mr. Morris Rapa'ai, Director of Business;
- Mr. Ckemeron Willie, D/Director of Industries;
- Mr. David Kaumae (D/Commissioner) & Ms Donna Rilangi (Principal Labour Officer), Labour Division;
- Mr. Owen Rove, Chief Immigration Officer – Immigration Division;

Prime Minister Office (PIMEU);

- Mr. Martin Housanau, PIMEU/PMO;
- Mr. Brian Wate, PIMEU;
- Mr. Wilson Karamui Bugotu, PIMEU/PMO;
- Mr. John Muria, Attorney General, AG Chamber;
- Mr. John Lagi, Senior Officer, Customs & Excise Office;
- Mr. George Tapo, Deputy Commissioner, IRD;
- Pacific Trade & Investment (PTI) – Sydney & Auckland
- Investment Promotion Authority/Agency – PNG
- Investment Promotion Authority/Agency – Fiji
- Investment Promotion Authority/Agency - Vanuatu

3. Investment Guidelines

Steps to Setting up a Business in Solomon Islands

- Prior to commencement of a business in Solomon Islands, a foreign investor is expected to apply and obtain approval, with the help of Invest Solomons from the following agencies:
- Poreign Investment Division for Foreign Investment Registration Certificate
- Website: www.solomonbusinessregistry.gov.sb
- Registrar of Companies through Invest Solomons for reservation and registration of Company/ Business Name(s) Website: www.solomonbusinessregistry.gov.sb
- Inland Revenue Division for registration of Tax and GST Website: www.moft.gov.sb
- Labour Division for Work Permit Website: www.commerce.gov.sb
- Immigration Division for resident permit Website: www.commerce.gov.sb
- Central Bank of Solomon Islands for the Issue of Shares and Partnership interest Website: www.cbsi.org.sb
- Solomon Islands National Provident Fund for Employer/employee registration Website: www.sinpf.gov.sb
- Honiara City Council for business licence to operate in HoniaraWebsite: www.hcc.gov.sb

The foreign investor may also require approvals/permits/licenses from other relevant ministries/ agencies depending on the scope of the business or if intending to invest in a province, Invest Solomons can help obtain these documents and approvals.

Foreign Investment Registration Certificate Application - Checklist

1. Application for a Foreign Investment Registration Certificate (FIRC) - New Business

- An application form can be obtained and processed from the following web-link: http://www. solomonbusinessregistry.gov.sb
- An Application Fee equivalent to USD $5,000 is payable to the Solomon Islands Government Treasury prior to submitting an FIRC Application Form (attach official receipt), please Reserve the Company/Business Name(s) with Registrar of Companies for a fee of SBD150. The following documents must accompany the FIRC application form:
- If a Company/Business is being listed as a Shareholder, the Application Form should include the following
  - A Certified True Copy of the Certificate of Incorporation;
  - Other supporting documents such as brochures, annual reports etc. (in available); and
  - Name (s) of those associated with the Share holding Company.
  - A copy of the Shareholders Agreement and a copy of the Declaration of Shareholders, witnessed/ certified by a Justice of Peace, Lawyer and/or a Chartered Accountant, are to be submitted if local equity contribution is required;
- If an Individual is being listed as a shareholder, the application form should include the following:
  - A certified true copy of the Passport Bio-Data Page of all those associated with the Company/Business;
  - Recent colour passport size photograph with names written at the back of each photograph, of all those associated with the Company/Business;

    - A recent (within 12 months) original or certified true copy of a Police Clearance Report from the Country of Residence of all Shareholders of the Company/Business;

- A Business Plan covering Budget/Cash Flow forecast for the proposed project;
- Copies of agreement such as Lease Agreement(s), Trust Deed(s), Contract Agreement(s) and Purchase Agreement(s) etc. (if any); and
- Any other relevant document upon request.

(Note: Five (5) working days to process the application provided all relevant documents as per Checklist are submitted at the time of application and Application Forms are correctly and completely filled. Investment Solomon Islands will conduct a due diligence and credibility checks for verification purpose.)

2. Existing Business/Company seeking a FIRC (Regularizing Status)

- An application form can be obtained from the following web-link (Refer above).
- Application Fee of USD $20,000.00 (VIP). The following documents must accompany the FIRC application form:
    - A certified true copy of the Registrar of Companies Certificate;
    - Latest Financial Statements of the Company from a Registered Accountant;
    - Evidence of latest Solomon Islands National Provident Fund (SINPF) lodgements (if applicable);
- If a Company/Business is being listed as a Shareholder, the Application Form should include the following:
    - A certified true copy of the Certificate of Incorporation;
    - Other supporting documents such as brochures, annual reports etc. (in available); and;
    - Name (s) of those associated with the Shareholding Company.
- If an individual is being listed as a shareholder, the application form should include the following:
    - A certified true copy of the Passport Bio-Data Page of all those associated with the company/business;
    - Recent colour passport size photograph with names written at the back of each photograph, of all those associated with the company/business;
    - A recent (within 12 months) original or certified true copy of a Police Clearance Report from the Country of Residence of all Shareholders of the company/business;
- Evidence of latest Tax/VAT Return of the company/business lodged to Solomon Islands Revenue & Customs Authority;
- Fill a Declaration Form (D1) if project has already implemented;
- Copies of agreement such as Lease Agreement(s), Contract Agreement(s) and Purchase Agreement(s) etc. (if any); and
- Any other relevant document upon request.

(Note: Five (5) working days to process the application provided all relevant documents as per Checklist are submitted at the time of application and Application Forms are correctly and completely filled. Investment Solomon Islands will conduct a due diligence and credibility checks for verification purpose.)

Checklist for Investor Requests

1. Change in shareholding structure/take-over of an existing business

- The following documents must accompany form for Change in Shareholding Structure:
  - Covering letter requesting for change in shareholding structure;
  - Original or Certified True Copy of Shareholders/Directors Resolution signed by all parties involved or a resignation letter by the outgoing shareholder(s)/partner(s);
  - If the foreign investor has been previously issued shares by the Central Bank of Solomon Islands (CBSI), then either a letter from CBSI approving the new shareholding structure or CBSI letter approving the share transfer is required;
- If a Company/Business is being listed as a Shareholder, the Application Form should include the following:
  - A certified true copy of the Certificate of Incorporation;
  - Other supporting documents such as brochures, annual reports etc. (in available); and
  - Name (s) of those associated with the Shareholding Company.
- If an individual is being listed as a shareholder, the application form should include the following:
  - A certified true copy of the Passport Bio-Data Page of the new Shareholder(s)/Partner(s);
  - Recent colour passport size photograph with names written at the back of each photograph, of new Shareholder(s) / Partner(s);
  - A recent (within 12 months) original or certified true copy of a Police Clearance Report from the Country of Residence of all new Shareholder(s)/ Partner(s) of the company/business;
- Evidence of latest Tax/GST return of the Company lodged to Solomon Islands Revenue & Customs Authority;
- A certified true copy of the Registrar of Companies Certificate (if not submitted to the Investment Solomon Islands previously);
- Latest Financial Statements of the Company/Business from a Registered Accountant;
- Evidence of latest Solomon Islands National Provident Fund (SINPF) lodgements (if applicable);
- Complete either Foreign Investor Annual Survey Form or a Declaration Form if project has already been implemented but has not been reported to Invest Solomon; and
- Any other relevant document upon request.

(Note: fifteen (15) working days to process the application provided all relevant documents are submitted at the time of submission.)

2. Change in business name

- The following documents must accompany request for change(s) in Company/Business Name(s):
  - Covering Letter requesting for change in Company/Business Name(s);
  - A certified true copy of Certificate of Incorporation or an original or certified true copy of Name Reservation approval from Registrar of Companies and;
  - Return Original FIRC that was issued to the company / business.

(Note: Five (5) working days to process the application provided all supporting documents are submitted at the time of application.)

3. Extension/amendment/change of company / business activity

- The following documents must accompany request for extension/amendment/change of Company/Business activity:
    - Brief Business Proposal with details of the proposed activity, level of investment and employment generation;
    - Evidence of latest Tax/GST return of the Company/Business lodged to Solomon Islands Revenue & Customs Authority;
    - A certified true copy of the Registrar of Companies Certificate (if not submitted to the Investment Solomon Islands previously);
    - Latest Financial Statements of the Company/Business from a Registered Accountant;
    - Evidence of latest Solomon Islands National Provident Fund (SINPF) lodgements (if applicable);
    - Central Bank of Solomon Islands (CBSI) letter indicating the amount of foreign funds remitted from offshore;
    - Fill either Foreign Investor Survey Form or a Declaration Form if project has already implemented but has not been reported to Investment Solomon Islands; and
    - Any other relevant document upon request.

(Note: fifteen (15) working days to process the application provided all supporting documents are submitted at the time of application.)

4. Progress report for work permit extension / renewal

For Invest Solomon to issue a progress report of your Company/Business to the Department of Immigration, please submit request to Invest Solomon Three (3) Months prior to the expiry of your Work Permit. The following documents must accompany request of progress report for work permit:

- Brief overview on the progress of the Company/Business to date;
- Evidence of latest Tax/GST return of the Company/Business lodged to Inland Revenue Division & Customs;
- A certified true copy of the Registrar of Companies certificate (if not submitted to Invest Solomon Islands previously);
- Latest Financial Statements of the Company/Business from a Registered Accountant;
- Evidence of latest Solomon Islands National Provident Fund (SINPF) lodgements (if applicable);
- Central Bank of Solomon Islands (CBSI) letter indicating the amount of foreign funds remitted from offshore;
- Complete either Foreign Investor Survey Form or a Declaration Form if project has already implemented but has not been reported to Invest Solomon; and
- Any other relevant document upon request.

(Note: twenty (20) working days to process the application provided all supporting documents are submitted at the time of application). All progress report will be addressed to Director of Immigration.)

5. Extension of Time

Investors are required to apply for an extension of time to complete the project implementation at least two (2) months prior to the expiry of the implementation period. The following documents must accompany every request for an extension of time:

- A brief overview on the progress of the company/business stating reasons for the delay in the project implementation;
- Certified copies of all registrations/approvals obtained from the relevant investment approving agencies/ departments depending on the nature of the company/business activity(s);
- Documentary evidence of any problems encountered that are causing delay; and
- Any other relevant documents upon request.

(Note: Fifteen (15) working days to process the application provided all supporting documents are submitted at the time of application.)

6. Cancellation of FIRC

The following documents must accompany every request for cancellation of a FIRC:

- A cover letter requesting for a FIRC cancellation;
- The original or a certified true copy of the director's / shareholder's resolution signed by all parties involved;
- A certified true copy of TIN de-registration or Tax compliance letter from Solomon Islands Inland Revenue Division;
- A certified true copy of the Solomon Islands passport and certificate of naturalization from Solomon Islands Immigration (if the investor obtains Solomon Islands citizenship);
- A certified and translated death certificate (if applicable); and
- Return of the original FIRC to Invest Solomon.

(Note: five (5) working days to process the application provided all supporting documents are submitted at the time of application.)

RESERVED ACTIVITIES

The following activities are prescribed for Solomon Islands Citizens only. For the purpose of Section 3 of the Act, the following Activities are prescribed:

- **A Milk Bar or Cafeteria Business**
- **A Taxi Business**
- **A Bus Business**
- **A Kava Business**
- **Retail Sale via Stalls and Markets**
- **A Handicraft Business**
- **Tailor Shops**
- **Repair of Personal and Household Goods**
- **A Plumbing Business**
- **An Electrical Business**
- **Plant Nursery and Care**
- **A Day-care Centre**
- **An Internet Cafe and Amusement and Gaming Centre**

- **Home-stay Lodging Services**
- **A Bakery Business**, other than those operated within the vicinity of a hotel/resort and/or operated by foreign owned hotels/resorts
- **Back-packer Operations**
- **A Nightclub**, other than those operated within the vicinity of a hotel/resort and/or operated by foreign owned hotels/resorts; and
- **A Liquor Bar,** other than those operated within the vicinity of a hotel/resort and/or operated by foreign owned hotels/resorts.

RESTRICTED ACTIVITIES

The following list of activities, have conditions which must be met by foreign investors who wish to pursue them:

1. Fishing

At least 30% equity held by Solomon Islands citizen(s) and the foreign investor must have at least $500,000 in owner's contribution or 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.

2. Forestry (Plant Management & Logging)

Foreign investor must have local equity in the form of 20% State, 10% provincial Government and 19% resource – owner shareholding and undertake value adding and must have at least $500,000 in owner's contribution or 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.

3. Manufacturing (Tobacco Production)

A foreign investor must use at least 75% locally grown and processed tobacco in all domestic cigarette production and must have at least $500,000 in owner's contribution or 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.

4. Tourism (Cultural Heritage)

Any activity involving investment in the cultural heritage of the Solomon Islands must have at least $500,000 in owner's contribution or 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.

5. Services

Real Estate Management

- A foreign investor engaging in real estate management and real estate agents must have at least $1m in owner's contribution or paid up capital for companies in the form of cash from the operational date, to be fully brought within Solomon Islands within the implementation period.
- A foreign investor engaging in the above real estate management activities needs to be certified under the Real Estate Agents Act.
- A foreign investor engaging in real estate activity in renting out of homes/villas/apartment/bures to tourists only must have at least $250,000 in owner's contribution or paid up capital for companies in the form of cash from the operational date, to be fully brought within Solomon Islands within the implementation period.
- Real Estate Development
- A foreign investor engaging in real estate development must have at least $1 m in owner's contribution or paid up capital for companies in the form of cash from the operational date, to be fully brought within

Solomon Islands within the implementation period.

6. Construction

A foreign investor engaging in the construction industry must have at least $1m in owner's contribution or paid up capital for companies in the form of cash from the operational date, to be fully brought within Solomon Islands within the implementation period.

7. Earthmoving Business

A foreign investor engaging in earthmoving business must have at least $1m in owner's contribution or 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.

8. Inter-Island Shipping and Passenger Service (Exclusive of Tourism Support Services)

A foreign investor engaging in inter-island shipping and passenger service must have at least $500,000 in owner's contribution or paid up capital for companies in the form of cash from the operational date, to be fully brought within Solomon Islands within the implementation period.

Additional Information Apart from those activities listed under the Reserved and Restricted List all other activities fall under the **UNSPECIFIED ACTIVITIES.**

Projects having a minimum financial threshold below $2.5m, will be given 12 months' implementation period whereas projects having minimum investment financial threshold above $2.5m will be given 18 months for implementation period.

List of Investment Opportunities

Solomon Islands is endowed with abundant natural resources the exploitation of which offer excellent investment opportunities for Foreign Investors especially for greenfield Foreign Direct Investors preferably in joint venture partnerships with SIG and local resource owners. Portfolio investment that may involve franchising and licensing of local partners to act on behalf of foreign interest is also encouraged as allowed under the Foreign Investment Act and National Investment Policy.

The pick-up in inflow rate of Foreign Direct Investment (FDIs) is a clear indication of the good reception of the government's positive attitude to foreign investment through the granting of incentives and exemptions, and the recognition of the private sector's enabling environment that is permitting private sector growth to drive economic activities in Solomon Islands.

So as not to crowed-out local investment, this list only shows opportunities for foreign investment and not those suitable for local investment.

Investment Priorities				Location
	Subsector	**Activities**	**Preferred Type of Investment**	
Livestock	Cattle	Farming/Production	Greenfield DFI	National
	Pigs	Farming	Greenfield DFI	National
	Chicken	Farming/Processing	Greenfield DFI	National
Fisheries	Aquaculture	Ocean/based	Greenfield DFI	Western/ Central
	Onshoare processing	Loining / filleting/ packing for export	Portfolio	Western/ Guadalcanal/ Malaita
	Aquaculture	Landbased/ prawns crustaceans	Greenfield DFI	National
Agriculture	Coffee	Farming /Processing / packing for export	Portfolio	Guadalcanal / Isabel / Malaita
	Vegetables	Farming /Processing / packing for export	Portfolio	Guadalcanal / Malaita
	Spices	Farming /Processing / packing for export	Portfolio	Guadalcanal / Malaita
Manufacturing	Garment	Clothes and accessories for local market	Greenfield DFI	Honiara
	Wooden toys	Manufacturing for local toys for local market and exports	Greenfield DFI	
	Furniture making	Production for export	Portfolio	
	Cosmetics	For export and local market	Greenfield DFI	
Forestry	Timber Milling	Both for export and local market	Greenfield DFI	
		Timber/engineering/ engineering fabrication	Greenfield DFI	
		Construction material manufactiring	Greenfield DFI	
	Carbon Trading	For sustainable revenue and conservation	Portfolio	
	Plantation Forestry			
Movie Production			Portfolio	Honiara
Medical	Secondary and Tertiary medical services		Greenfield DFI	Honiara/ Guadalcanal/ Western/ Malaita

E. References

1. NSDS
2. Governments Redirection Policy
3. MCILI Documents
4. CBSI Annual reports


INVESTMENT OPPORTUNITIES
Agriculture
Fisheries
Infrastructure
Manufacturing
Tourism
other services

SOLOMON ISLANDS GOVERNMENT

SOLOMON ISLANDS INVESTMENT POLICY AND PROMOTION STRATEGY 2023–2043

Invest Solomons | Ministry of Commerce, Industry, Labour & Immigration
PO Box G26, Honiara, Solomon Islands
Phone: +677-20521 | website: www.solomonbusinessregistry.gov.sb.