PACIFIC REGIONAL TOURISM CAPACITY BUILDING PROGRAMME (PRTCBP)

(Funded under the 10th EDF of the European Union)

The Solomon Islands National Tourism Development Strategy

2015 – 2019

February 2015

SOLOMON ISLANDS NATIONAL TOURISM DEVELOPMENT STRATEGY

2015 – 2019

‘A Strategy for Growth’

FINAL REPORT

This report has been produced by TRIP Consultants within the framework of the Pacific Regional Tourism Capacity Building Programme (PRTCBP), a component project of the Strengthening Pacific Economic Integration through Trade (SPEITT) programme which is financed under the 10th European Development Fund. The PRTCBP is implemented by the South Pacific Tourism Organisation. The report does not necessarily reflect the views and opinions of the European Union.

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FOREWORD

It is with great pleasure that I introduce this National Tourism Development Strategy issued at the initial period of my Governments tenure. It is not only one of the very first blue print development guideline ever produced by the Democratic Coalition for Change Government (DCCG) after the General Election in November 2014, but it is also a sector that is positioned as one of the highest on the Government's priority agenda. This Government's position is consistent with the Pacific Tourism Ministers vision that "*Tourism will inspire sustainable economic growth and empower the Pacific (Solomon Islands) people*". Further that our Forum Island Leaders, in October 2007 in Tonga recognized the vital importance of the tourism sector and agreed "*to increase their current levels of support to their tourism industries through human resource development; to prioritize development of infrastructure and transport links in their countries to foster sustainable tourism; to encourage foreign investment in their tourism industries; and to encourage development of regional and sub-regional marketing strategies and brands for major international markets*."

The tourism sector plays an increasingly vital role in the economy of the Solomon Islands, and is becoming one of the drivers of economic growth, in terms of an ever-increasing foreign exchange earner, contributing direct, indirect and induced employment to many Solomon Islanders and contributes a fair percentage to the country's Gross Domestic Product. Tourism is here to stay and as the Government continue to search for a sustainable path towards economic development, tourism is seen as one of the most likely viable economic option for our developing country.

At the heart of this strategy is growth via increasing the level of awareness and demand for what Solomon Islands has to offer, increasing our competitiveness through increased accessibility and improvement in tourism infrastructure, enhancing our tourism products and delivering them to the highest possible standard at each and every point of the tourist journey through better training. The plan also points out the importance for all stakeholders to work as partners in our tourism development. Better communication and co-operation between the industry operators, Government Departments and local communities is essential in realising the true potential of this very lucrative sector. May I stress the importance of setting up the Strategy Co-ordination Unit to coordinate the implementation of this strategy, without which, implementation could be stalled.

In concluding may I on behalf of the Government congratulate the tourism sector, and in particular, I praise and thank the tourism private sector for their valuable input into shaping this strategy, the Department and Ministry of Culture and Tourism for their leadership and ensuring that Government's aspirations are allowed to be fed into the Strategy, the Solomon Islands Visitors Bureau who acted collaboratively with the Department of Tourism as well as the Suva-based South Pacific Tourism Organization of which Solomon Islands is an important financial member.

My thanks go to the consultants, TRIP Consultants, who under the direct supervision of SPTO were able to, not only deliver the report on time but were diligent in producing a good piece of document that carried everyone's views.

Last, but not least, 'thank iu tumas' to the South Pacific Tourism Organization for funding and leading the development of this strategy, funded through the European Union's Regional Indicative Programme of the 10^{th} EDF.

The Solomon Islands Government appreciates this initiative and at this juncture may I invite all bilateral and multilateral development partners to review this Strategy with the aim of supporting the activities identified in the document.

I look forward to working with you all on the detailed action plan that will follow on from it and the delivery of that plan at business, local and national level.

God bless you all,

Bartholomew Parapolo
Minister for Culture and Tourism, Government of the Solomon Islands

Acronyms

ADB	Asian Development Bank
APTC	Asia Pacific Technical College
CASSI	Civil Aviation Authority of the Solomon Islands
DoT	Department of Tourism
GDP	Gross Domestic Product
GFC	Global Financial Crisis
HRD	Human Resource Development
ICT	Information Communication Technology
IFC	International Finance Corporation
IVS	International Visitor Survey
PPP	Public Private Partnership
MoCT	Ministry of Culture and Tourism
NGO	Non-Government Organisation
NHRDTC	National HRD Technical Committee
NIIP	National Infrastructure Investment Plan
NPO	National Planning Office
NSO	National Statistics Office
NTF	National Tourism Forum
PS	Permanent Secretary
SBEC	Solomon Islands Business Enterprise Centre
SICHE	Solomon Islands College of Higher Education
SCCI	Solomon Chamber of Commerce and Industry
SIG	Solomon Islands Government
SINU	Solomon Islands National University
SITTF	Solomon Islands Tourism Task Force
SIVB	Solomon Islands Visitors Bureau
SINTDS	Solomon Islands National Tourism Development Strategy
SME	Small and Medium Sized Enterprise
SOE	State Owned Enterprise
SPTO	South Pacific Tourism Organisation
TCSP	Tourism Council of the South Pacific
TSCP	Transport Sector Coordination Program
TVET	Technical Vocational Education and Training
USA	United States of America
VFR	Visiting Friends and Relatives
YTD	Year To Date

EXECUTIVE SUMMARY

The tourism sector in the Solomon Islands is small and undeveloped compared to many other Pacific countries. Growth in tourism can lead to broad based employment and income generation, as well as support the retention of cultural traditions and the sustainable management of the nation's environmental assets.

This Strategy is designed to identify and address sector related impediments, to facilitate a faster rate of economic growth and increased benefits from tourism. The document is subtitled ***'Strategy for Growth'***, reflecting the importance that sustainable tourism can play in growing the economy of the Solomon Islands and in achieving the broader goals of the new Government.

The focus for this Strategy is the short to medium term covering the next five years, to ensure practical and systematic measures are taken to build the tourism sector. The SINTDS outlines a sequenced and prioritised program of development.

Increasing tourism sector development can bring great benefits to the country, particularly in terms of income, employment and foreign exchange earnings; however even the relatively modest growth proposed in the SINTDS, will require sustained commitment to the Strategy recommendations, strong leadership, increased investment and additional government and donor resourcing.

The Solomon Islands has underperformed in terms of tourism sector growth. In terms of holiday visitors the Solomon Islands receives less than one percent of the Pacific market share; the closest neighboring countries, Vanuatu and Papua New Guinea receive considerably higher levels of visitation. A detailed analysis of the tourism market is provided in Section Four.

Strategically, the key market to underpin future growth of tourism in the Solomon Islands is the holiday market. If growth is to be achieved then efforts need to be focused on growing the holiday market.

The Solomon Islands is not a destination for mass tourism; it has neither the infrastructure nor products to support large scale tourism; the cost of visiting the Solomon Islands is high, compared for example with Fiji or Vanuatu, which also offer more sophisticated products and higher levels of quality.

The Solomon Islands is 'off the beaten track'; it is an adventure travel destination for target markets that have time, patience and a desire to experience unique land and marine based environments and genuinely engage with the local people and their culture.

These factors highlight that **a focus on small scale tourism based on niche markets is required**; the Solomon Islands has a wealth of nature based and cultural products, which form the basis of the tourism product.

The cruise shipping sector also provides a key development opportunity for the sector; the Solomon Islands receives a small but growing number of visitors from this market and this Strategy highlights key constraints and recommended actions required to increase the level of growth from the sector.

The Vision for the Tourism Sector in the Solomon Islands is:

Enhancing Economic Growth through Sustainable Tourism Development for a Better Solomon Islands

Five interrelated focal areas form the basis for the SINTDS. High level goals have been established for each focal area and the strategic recommendations have been framed around these five focal areas as follows:

In the short to medium term there is a need focus on growing the market for existing tourism products in the Solomon Islands by increasing the level of destinational and product marketing. New product investment will follow if the market demand is high and the business environment is conducive to investment.

In the medium term any product development initiatives need to focus on a limited number of areas that have high tourism potential, as demonstrated by good accessibility and a range of existing high quality products which have strong market appeal.

A range of priority initiatives to support this in the medium term are outlined in Section Five and detailed in the Action Plans in Section Seven.

Specific objectives for sustainable tourism growth have been established in that by the end of 2019 tourism in the Solomon Islands will:

- Be a major source of income for Solomon Islanders generating over 700 million SI$ for the economy
- Be a growing sector representing over 7 percent of national GDP
- Increase the number of those employed in the workforce through tourism to 30,000
- Increase the total number of arrivals to 32,500 (equating to 9.2 percent growth pa)
- Increase the size of the holiday market to 12,500 arrivals (equating to 20 percent growth pa)
- Increase the number of cruise ship visits to 28 per annum (equating to 20 percent growth pa)
- Be a major source of demand for the operation of international and domestic aviation
- Support the formalisation and sustainable management of marine and land based protected areas

Recommendations based on the identified short and medium term priorities are presented in Section Five and the required sector management structure and institutional arrangements are outlined in Section Six.

Reflecting the requirement for increased coordination and prioritization of the sector a Tourism Sector Taskforce will be established and Chaired by the Prime Minister to oversee implementation of the SINTDS.

In order to implement the recommendations of the SINTDS an increase in the level of resources applied to the sector is required. This requires a commitment from the Government to grow the sector. Equally though the SINTDS is a partnership between the public sector, private sector, communities and donors who each have their own role to play in implementation.

A budgeted and sequenced implementation program is presented in Section Seven. Budget estimates have been prepared based on the recommendations for each focal area. The budget estimate over the five year period required for implementation is estimated to be approximately SI$ 105 million[1].

[1] The total budget estimate is does not include all infrastructure or HRD activities as several are subject to further design and costing

1. Introduction

Introduction

Tourism has been identified by successive governments, the private sector and many communities in the Solomon Islands, as a potential major economic development opportunity, with potential to provide broad based employment and income generation, as well as support the retention of cultural traditions and the sustainable management of the nation's environmental assets.

The overarching Government development strategy, 'the Solomon Islands National Development Strategy 2011 - 2020' highlights the priority placed on growing the tourism sector and the need to *'sustainably increase tourism contribution to economic development, replace previous focus on unsustainable visitor numbers with tourism development based on higher yields through developing products and spend within the context of a thorough understanding of environmental sustainability and climate change*' as well as '*to support tourism development and investment throughout the country, relevant government bodies put more emphasis on tourism promotion and provide incentives, including improved infrastructure, international and domestic aviation and telecommunications'*

This Solomon Islands Government National Tourism Development Strategy (SINTDS) outlines the requirements to facilitate a prioritised and coordinated approach to the development of the tourism in the country. This Strategy is designed to identify and address sector related impediments, to facilitate a faster rate of economic growth from tourism for the Solomon Islands, than has been achieved in the past.

The document is subtitled **'Strategy for Growth'**, reflecting the importance that sustainable tourism can play in growing the economy of the Solomon Islands and in achieving the broader goals of the new Government.

The focus for this Strategy is the short to medium term covering the next five years, to ensure practical and systematic measures are taken to build the tourism sector. The SINTDS outlines a sequenced and prioritised program of development.

Addressing the identified constraints will not be easy, but the alternative is to continue to underperform in a sector which has much potential for the country. To achieve the goals established in this Strategy however, will require the support of all stakeholders, in the public and private sectors, as well as the broader community. A '*Whole of Nation'* approach to prioritize the sector and recommendations in the SINTDS is required if sizeable growth is to be achieved.

Increasing tourism sector development can bring great benefits to the country, particularly in terms of income, employment and foreign exchange earnings; however **even relatively modest growth at the levels proposed in the SINTDS, will require sustained commitment to the Strategy recommendations, strong leadership, increased investment and additional government and donor resourcing.**

The SINTDS provides the basis for a prioritised and coordinating approach to address the major sector impediments which will be required if the low level of investment and sector growth, is to be turned into a level of growth which is more comparable with other Pacific countries who have been successful in developing tourism. Addressing one or two of the identified constraints may only lead to marginal improvements in sector performance, but a concerted and sustained effort by all stakeholders can substantially change the investment climate and industry dynamics in the medium term.

Background

Despite government statements recognizing the potential role that tourism can play, the tourism sector in Solomon Islands has failed to grow at the same pace as many neighboring countries. The Solomon Islands is currently **ranked ninth out of the fifteen South Pacific countries in terms of visitor arrivals**, **well behind neighboring countries such as Vanuatu and PNG.**

The total number of visitor arrivals to the Solomon Islands was 24,400 in 2013. The majority of these visitors travelled for business purposes.

Holiday arrivals to the Solomon Islands are estimated to be only around 5,000 a year; anecdotal evidence from the industry also suggests that **the number of holiday visitors has declined in 2014 to event his low level.**

Strategically, the key market to underpin future growth of tourism in the Solomon Islands is the holiday market. The holiday market underpins tourism in most Pacific countries and is the market segment most readily influenced by marketing and market led product development. The business and visiting friends and relatives segments can play a supporting role, but are less influenced by marketing and product offering, and more by local economic conditions at home and abroad as well as family circumstances**. If substantial growth is to be achieved then efforts need to be focused on growing the holiday market**.

The Solomon Islands is not a destination for mass tourism; it has neither the infrastructure nor products to support large scale tourism; the cost of visiting the Solomon Islands is high, compared for example to Fiji or Port Vila in Vanuatu, which also offer more sophisticated products and higher levels of quality.

The Solomon Islands is 'off the beaten track'; it is an adventure travel destination for target markets that have time, patience and a desire to experience unique land and marine based environments and genuinely engage with the local people.

These factors highlight that **a focus on small scale tourism based on niche markets is required**; the Solomon Islands has a wealth of nature based and cultural products, which form the basis of the tourism product.

The cruise shipping sector also provides a key development opportunity for the sector; the Solomon Islands receives a small but growing number of visitors from this market and this Strategy highlights key constraints and recommended actions to increase the level of growth in the next five years.

The Benefits of Sustainable Tourism Development in the Solomon Islands

Tourism in the Solomon Islands is still at an embryonic stage; there is no doubt that the Solomon Islands has significant potential for tourism given the diversity and uniqueness of its natural, historical and cultural resources. Clearly the sector has not developed in a way that has allowed it to maximize the potential that exists and therefore to deliver the range of potential benefits for the people of the Solomon Islands.

Tourism is an industry with many aspects, which includes air, land and sea transportation, accommodation, tours and handicrafts, as well as the primary and service sectors, which both support and benefit from the sector. Tourism is a sector that potentially has strong backward and forward linkages, which support the viability of associated primary and service sectors, which are suppliers of goods and services to the sector.

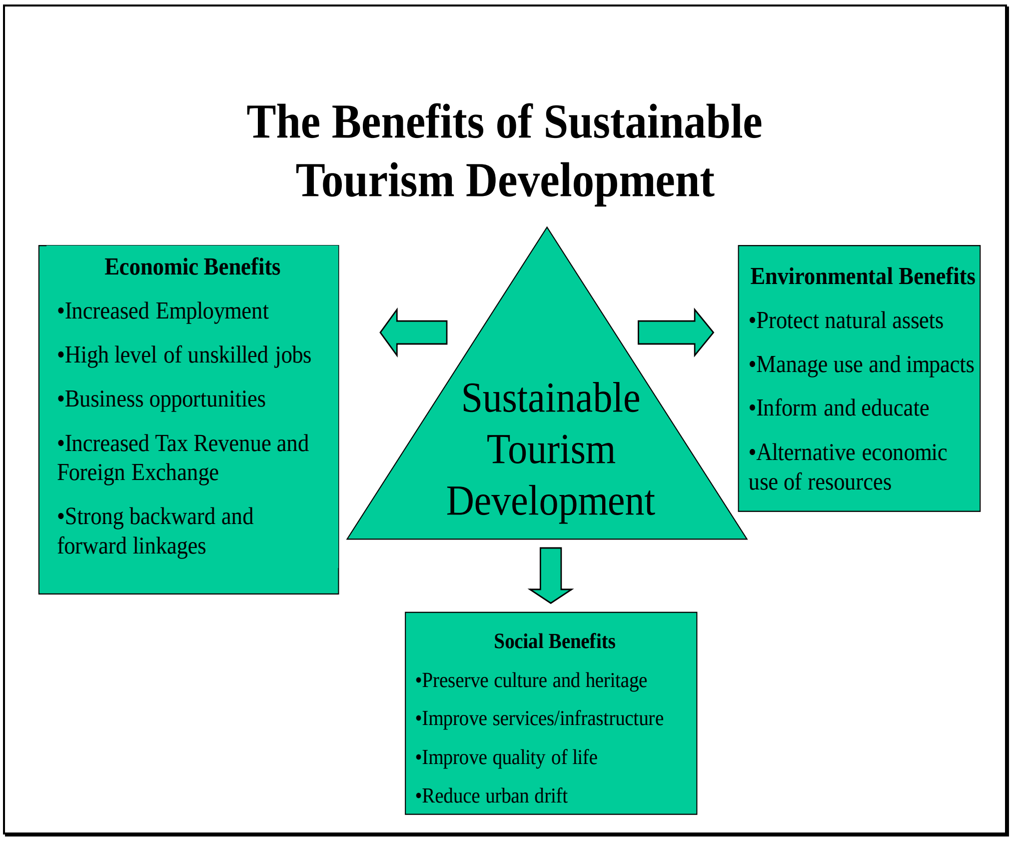
The further development of the tourism industry offers potential to deliver major benefits to the people of the Solomon Islands including:

- Providing significant employment throughout the country:
- Developing income generation opportunities, leading to a reduction in poverty levels and a reduction in law and order problems;
- Development of rural economies to reduce urban migration;
- Providing a sustainable alternative which contributes to the management and retention of the country's outstanding natural resources;
- Reinforcement of the country's unique culture and handicrafts, which are a tourism asset in their own right;
- Supporting the costs of transport infrastructure and international and domestic transport services;
- Supporting the development of linked economic activities such as agriculture, fishing, and other services which support tourism;
- Providing a major source of direct and indirect tax revenue for the government to support the delivery of social services such as health care and education.

Tourism offers one of the main potential economic activities capable of contributing to the reduction of poverty in the Solomon Islands. Tourism as a sector is labour intensive, provides jobs at relatively unskilled levels for men and women and the multiplicity of potential backward and forward linkages create spin off employment and income in other sectors. The complex interrelationships that characterise the industry require a sophisticated and collaborative approach to planning and industry development.

The sustainable development of tourism requires a balanced approach which integrates and manages the three pillars of sustainable development; namely economic, social/cultural and environmental outcomes. The sustainable approach adopted throughout this SINTDS is incorporated through the Vision, objectives and actions detailed in the document.

Diagram One: Benefits of Sustainable Tourism Development



Source: TRIP Consultants

The development of tourism offers the major alternative for the Government to develop a sustainable source of revenue and employment opportunities for future generations.

Tourism Sector Planning and SINTDS Development Process

The last Tourism Sector Plan was the Solomon Islands Tourism Sector Strategy Plan (SITSSP) prepared in 2006[2]. Little of the SITSSP was implemented by the Government. Few resources were applied to implementation and no formal implementation process was established,

[2] The Solomon Islands Tourism Sector Strategy Plan (SITSSP) – June 2006 – Commonwealth Secretariat

whilst the Government had little capacity to manage a sector wide approach. This was also the case with previous sector plans including the Solomon Islands Tourism Development Plan (1991) developed by TCSP (now SPTO).

In 2009 the International Finance Corporation assisted the Government to prepare a Tourism Impediments Diagnostic Study which provided a '*State of Play Assessment of the Solomon Islands*' outlining priority recommendations across three focal areas; the Market; Destination and Investment. Subsequently a Solomon Islands Tourism Task Force (SITTF) Action Plan (2011 – 2015) was formulated by the Ministry of Culture and Tourism with additional assistance from IFC. The Action Plan highlighted priorities in six areas including:

- Transport Infrastructure
- Tourism Investment Generation
- Tourism Micro and SME project Development
- Tourism Standards and Quality Management
- Tourism Training, Education and HRD
- Tourism Marketing and Promotion

The implementation of the SITTF Action Plan has been very limited due to limited Government commitment to resolve significant financial and human resource constraints and also due to a change in IFC policy and support levels for implementation.

A National Tourism Forum was undertaken in September 2014 in Honiara to promote discussions on key issues and identify solution to increase growth in the tourism sector. These discussions were documented in the NTF Outcomes Document (draft). Issues and recommendations highlighted at the Forum have been fully considered in this Strategy.

The development of the SINTDS is an attempt to develop a clear way forward for the future growth of the sector. The SINTDS builds on the work that has been done previously (above) in terms of identifying impediments and possible solutions and priorities. In addition further consultation has been undertaken as part of the development process of the SINTDS; consultation has included both discussions with key agencies and tourism operators, as well as broader stakeholder consultation in Honiara, Gizo, Munda, Tulagi and Auki. A full list of stakeholders consulted is provided as Appendix A.

The SINTDS has been prepared to document clear priorities for sector development and establish the institutional mechanisms and resourcing requirements to support a sector based development approach. The findings contained in this document have drawn on several previous tourism specific studies, existing government policies and plans in key areas including in national planning, infrastructure, culture and transport. An on-line tourism industry survey was also compiled as part of the consultation process. The outcomes from consultation with a range of stakeholder groups including a Validation Workshop (February 2015) have also been incorporated into the SINTDS.

Priority development activities identified within this SINTDS aim to be realistic, both within the market context and to reflect the Government's current fiscal position; currently

Government debt is high and the Government is committed to prudent fiscal measures and debt strategies to reduce this level of borrowing. This clearly limits the options available in terms of a large injection of public funds to facilitate tourism and infrastructure development and the SINTDS recommendations are cognizant of this.

Capacity to implement a sector wide tourism Strategy is limited both in terms of financial resources and in terms of human resource capacity**. It is critical that SINTDS recognizes these major development constraints and adopts a sequenced and prioritised approach to implementation**. The SINTDS approach is to highlight a limited number of critical actions in the short term, which can be implemented in the next one to two years and which if successful will lead to the need for a broader development program to be implemented.

The SINTDS Framework is presented below (Section Two), to establish the strategic vision and high level goals and objectives for the sector.

The development context, rationale and identification of key issues are presented in detail in Sections Three, Four and Five. Five strategic areas have been identified and these form the structure for the SITDS recommendations as follows:

- Marketing and Research
- Transport and Infrastructure
- Product Development and Investment
- Human Resource Development and Training
- Cruise Shipping and Yachting

Recommendations based on the identified short and medium term priorities are presented in Section Five and the required sector management structure and institutional arrangements are outlined in Section Six. A budgeted and sequenced implementation program is presented in Section Seven.

2. Tourism Sector Framework

A high level Tourism Sector Framework is presented in this Section; the Framework has been developed following a review of existing government policies and consultation with stakeholders. The Framework establishes the strategic vision for the sector, together with the goals and objectives of the SINTDS.

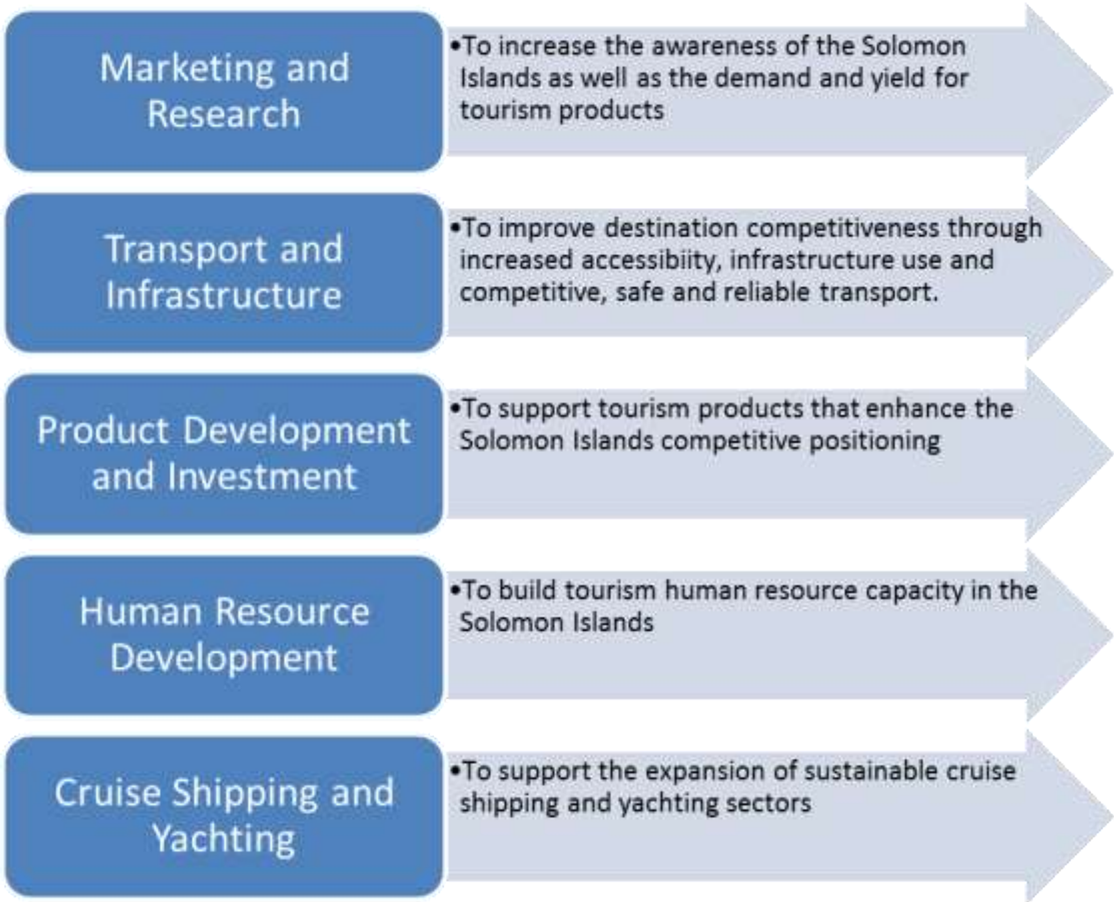
Tourism Sector Vision

The Vision for the Tourism Sector in the Solomon Islands is:

Enhancing Economic Growth through Sustainable Tourism Development for a Better Solomon Islands

Focal Areas and Strategic Goals

Five interrelated focal areas form the basis for the SINTDS. High level goals have been established for each focal area and the strategic recommendations have been framed around these five focal areas as follows:



Overarching Strategy

Whilst key initiatives need to be undertaken in each of the five focal areas to support the sustainable development of tourism in the longer term, **in the short to medium term there is a need to grow the market for existing tourism products in the Solomon Islands**.

Underpinning this requirement is a need to grow awareness and create demand in key markets by increasing the profile of the Solomon Islands and undertaking highly focussed and effective marketing activities. Many tourism businesses struggle to remain viable and new investment outside of Honiara is almost non-existent.

The level of demand and the number of visitors is currently too small to sustain the vast majority of tourism operators in the Solomon Islands; without further demand existing businesses will further fail and any significant new investment is both risky and unlikely on any scale outside of Honiara.

Objectives for the Tourism Sector

The objectives for the tourism sector are that by 2019 tourism in the Solomon Islands will:

- Be a major source of income for Solomon Islanders generating over 700 million SI$ for the economy
- Be a growing sector representing over 7 percent of national GDP
- Increase the number of those employed in the workforce through tourism to 30,000
- Increase the total number of arrivals to 32,500 (equating to 9.2 percent growth pa)
- Increase the size of the holiday market to 12,500 arrivals (equating to 20 percent growth pa)
- Increase the number of cruise ship visits to 28 per annum (equating to 20 percent growth pa)
- Be a major source of demand for the operation of international and domestic aviation
- Support the formalisation and sustainable management of marine and land based protected areas

Market Opportunities

The Solomon Islands is not a mass market tourism destination. The cost of operations is high and capacity to absorb large volumes of visitors is low, with a fragile environment and limited infrastructure. **The basis for the development of the industry lies in the development of products which highlight the natural and cultural strengths of the country, through small scale, special interest tourism, which focus on specific activities and target markets.**

Special interest (activity) based segments offer the following advantages:

- There is a worldwide trend towards activity based adventure holidays and adventure tourism is one of the fastest growing sub-sectors of worldwide tourism;
- The Solomon Islands is able to offer competitive advantage in several identified activity based segments including diving, nature based and cultural tourism;
- Activity based segments are (generally) less susceptible to negative publicity regarding security;
- Activity based segments are less price sensitive;
- Activity based segments are increasingly being combined together by travellers (for example kayaking and village stay);
- Activity based segments provide a focused marketing target, with clearly identifiable promotional and distribution channels; and therefore
- They provide a cost effective target for marketing purposes.

The destinational marketing of the Solomon Islands therefore needs to focus on growing the market in the identified key segments.

A summary of the key product and market segments is presented below:

Diving

The dive sector has traditionally been the major market segment for the Solomon Islands. The country offers world class dive sites through both live-aboard and land based operators and sites include an abundance of WWII wreck sites as well as reef structures. The major areas for diving are in Western Province, including around Gizo, Munda, Eastern and Western Marovo, as well as around Honiara, the Florida Islands and Iron Bottom Sound.

Divers visiting the Solomon Islands tend to be experienced, with a relatively high level of disposable income. Current estimates of the Solomon Islands international dive market are between one and two thousand per annum, with the primary markets being split between Australia and the USA. The market appears to have declined, particularly in 2014 due to reduced air connectivity to the United States but also due to increased competition in the region.

WWII History

Battlefields from WWII form an important part of Solomon Islands history and WWII heritage forms an important component of the Solomon Islands tourism product. WWII heritage is a small standalone special interest market, focussing on the relatives of WWII veterans and historians from USA, Australia and Japan, but also appealing to a broader market interested in recent history.

WWII heritage also provides a key point of differentiation for other markets such as diving, surfing and those seeking off the beaten track experiences. The WWII product in the Solomon Islands has the potential to be stronger than either in PNG or Vanuatu due to the historical importance of the engagements, the high number of sites and equipment and broad geographical coverage across the country.

There are many sites around Honiara and on Guadalcanal including the American War memorial, Thin Red Line and Bloody Ridge. Iron Bottom Sound, Tulagi and Western Province also contain significant sites from WWII. Most sites however are poorly presented, poorly maintained and in many instances have limited information and documentation associated with them. Unlike PNG (Kokoda Track) or Vanuatu (SS President Coolidge) there has been no concerted effort to support the development of an iconic WWII site into a major tourism attraction; the development of a WWII icon in the Solomon’s would increase the appeal of the destination to this niche market.

Surfing

Surfing represents a small but potential growth market for the Solomon Islands. Surfing is seasonal and is currently focused on Papatura on Isabel as well as Gizo and Munda, although surfing also exists in the Floridas, Malaita and Makira.

There is no national Surfing Industry Association or surfing events in the Solomon Islands. The primary potential market for surfing is Australia.

Culture

The diversity of culture in the Solomon Islands is immense and provides the destination with a strong selling point. There are a number of unique aspects of high appeal to cultural tourists including the Solwata People in Malaita and Temotu, the Pan Pipers (Malaita, Isabel and Guadalcanal) the Polynesians of Rennell and Bellona and the People of the Sea from Vonavona and Roviana. Cultural shows are irregular and are not currently major draw-cards for tourism, although performances are often undertaken for visiting tourists.

Bird Watching

Bird watching has potential for development where there are high concentrations of endemic birds throughout the Solomon Islands including Guadalcanal, Malaita, Makira, Gizo, Kolombangara, Tetepare, Santa Isabel, Vella Lavella and Ranongga and Rennell.

Bird watching is a high value market which is growing substantially around the world. For example, in the USA 'birding' is one of the fastest growing pastimes, with approximately 20 – 35 percent of respondents to a large survey of recreational activities indicating that they regularly watch birds and the main bird watching association in the USA recently doubled its membership in a single year. Birdwatchers are well educated (two thirds of US 'birdies' hold degrees) and have a high level of income (33 percent in Australia have an income over $AU 60,000 pa).

Fishing

The Solomon Islands has good sport fishing and fresh water/estuary fishing; fishing operators are located on Guadalcanal, as well as Gizo, Munda, Marovo and Isabel Province. The major potential source market is Australia, although there are opportunities to attract specialist fishermen from the USA and Europe. The Australian fishing market is large with approximately 3.56 million fishermen; approximately 38,000 Australians (Roy Morgan Research) participated in fishing on their last overseas holiday.

A number of other market segments also have potential for growth. These include the MICE market segment, focusing on regional meetings, as well as a more generic soft adventure couples market.

Growth prospects by geographic market are further considered in Section Four of this Report.

3. Tourism Policy and Institutional Arrangements

The Solomon Islands National Development Strategy 2011-2020 sets out the development priorities for the country. The national vision established under the NDS is for *'A United and Vibrant Solomon Islands'.*

The NDS identifies eight overarching objectives as follows:

- Objective One – To alleviate poverty and provide greater benefit and opportunities to improve the lives of Solomon Islanders in a peaceful and stable society
- Objective Two – To provide support to the vulnerable
- Objective Three – To ensure that all Solomon Islanders have access to quality health care and to combat malaria, HIV, non-communicable and other diseases
- Objective Four – To ensure that all Solomon Islanders have access to quality education and for the country to adequately and sustainably meet its manpower needs
- Objective Five - To increase the rate of economic growth and equitably distribute the benefits of employment and higher incomes amongst all the provinces of the Solomon Islands
- Objective Six – To build and upgrade physical infrastructure and utilities to ensure that all Solomon Islanders have essential services and access to markets
- Objective Seven – To effectively manage and protect the environment and eco-systems and protect Solomon Islanders from natural disasters
- Objective Eight – To improve governance and order at national, provincial and community levels and strengthen links between them

Tourism will directly contribute to all of these objectives; direct contribution in terms of economic growth, employment and rural income and indirectly tourism will support infrastructure development, natural resource management and better education and health services.

Specifically though the NDS highlights the importance of tourism sector in national development. Under its Objective Five (increase economic growth and equitably distribute employment and income benefits), the NDS adopts following two strategies under tourism sector to improve the livelihoods of all the people of the country:

- Sustainably increase tourisms' contribution to economic development, replace previous focus on potentially unsustainable visitor numbers with tourism development based on higher yields through developing products and spend within the context of a thorough understanding of environmental sustainability and climate change, and

- Support tourism development and investment throughout the country, relevant government bodies put more emphasis in tourism promotion and provide incentives, including improved infrastructure, international and domestic aviation and telecommunications. It is also recognised that value-addition and developing agriculture sector's linkages with the tourism sector can help sustain the revenue/export earnings and create additional jobs. The tourism industry would benefit in particular from better infrastructure and facilities.

The MoCT has prepared a (Draft) National Tourism Policy; the Policy establishes an overall goal that *'Development shall focus on sustainability, community participation, innovation, decentralization, investment driven and supported by the government and private sectors'*. The Draft Policy also establishes a Guiding principles and the following National Tourism Policy Goals, in that Government is committed to:

- Improving the lives of the people of the Solomon Islands through economic, environmental, socio-cultural and technological development;
- Strengthening partnership amongst government departments, provincial governments, NGOs, relevant stakeholders and people for the growth of the tourism sector;
- Focusing on high quality planning and development of tourism products and services that responds to evolving trends, research and market intelligence, international standards and best practices;
- Recognize and support effective industry linkages;
- Building and strengthening human resource capacity; and
- Promoting public tourism awareness.

The SINTDS Tourism Sector Framework outlined in Section Two has been developed to reflect the Draft Policy Principles and Goals.

The Solomon Islands National Policy Framework (NPF) Blong KALSA[3] Draft National Cultural Policy identifies that '*cultural tourism holds huge potential in contributing in the near future to a flourishing tourism industry in the country. From a tourism perspective, the rich cultural diversity of the country is an asset that can be further developed, marketed and promoted as a key attraction. Cultural tourism provides the ideal avenue for effective participation of local communities and cultural resource owners in tourism development*'.

The policy goals of the NPF are that:

- Cultural tourism becomes the flagship of the country's tourism industry
- Community participation in cultural tourism leads to decentralisation and the spread of activities and benefits of the tourism industry throughout the provinces and rural areas

[3] Solomon Islands Nasinal Policy Framework blong KALSA – Ministry of Culture and Tourism 2012

- Economic benefits of the tourism industry are re-invested in rural areas hosting cultural tourism enterprises and activities.

Institutional Arrangements

The Department of Tourism is a National Government Department within the Ministry of Culture and Tourism and was created in 2003. Prior to this, a Division of Tourism was part of the Ministry of Commerce, Industries, Employment and Tourism.

The Minister of Culture and Tourism, who is solely responsible for the portfolio, provides the authority and link between Cabinet, Parliament and the Department. The Department of Tourism (DoT) acts as the lead Government agency for tourism planning and development.

A Permanent Secretary acts as the bureaucratic head of the Department and maintains administrative and managerial control over the Department. He is assisted by an Under Secretary. They advise the Minister directly on policy and program matters. An Executive Personal Secretary provides administrative support. The Department of Tourism is headed by a Director.

The Department of Tourism is headed by the Director who is assisted by the Deputy Director. On the level below these, three Principal Tourism Officers' positions exist. The next level below allows for four Senior Tourism Officers.

The Department of Tourism (DoT) is the major tourism policy arm of Government and is responsible for the formulation and implementation of appropriate tourism policies and programs that encourage the orderly development of tourism. The core functions are listed as:

- Tourism policy, legislation and regulations
- Tourism education and training
- Tourism projects, product development, planning, research and development
- Provincial tourism co-ordination and development.

The Department has developed a Corporate Plan which recognises the problems of a weak institutional and capacity base. It is proposing stronger partnerships and alliances with the SIVB, private sector operators, potential investors, Provincial Governments, NGOs, other Government Departments and Pacific Regional Tourism Organisations (SPTO, PATA).

The DoT is both understaffed and under-resourced to fulfil its' existing mandate and functionality requirements. The budget for the Department in 2014 was SI$ 10 million for the development budget and SI$ 3 million for recurrent expenditure.

The MoCT is also responsible for administering the following Acts of Parliament:

- Solomon Islands Visitors Bureau Act 1996

- National Archives Act
- Protection of Wrecks and War Relics Act
- Research Act

The SIVB operates independently as a Statutory Authority with its own Board of Directors. The Directors are appointed by the Minister according the criteria and representation outlined in the Act. The SIVB is responsible for the marketing of the Solomon Islands as a tourism destination and has developed a 2014 Annual Marketing Plan entitled '*Taking a Step Change'* which summarises the priority strategies an actions which the SIVB will implement to achieve set goals and outcomes.

SIVB is primarily funded through an industry levy (bed tax) and receives a small Government grant annually (approximately SI$ 500,000), which is substantially less than neighbouring countries and UNWTO guidelines; for example the Vanuatu Government allocates approximately US$ 1.5 million for tourism marketing and the Papua New Guinea Tourism Authority has a development budget of approximately US$ 7 million in 2015. **This lack of direct Government funding for marketing severely impacts on the viability of the whole tourism sector in the Solomon Islands.**

The collection of the bed levy is problematic for SIVB due to no-payment by many operators and lack of capacity to enforce the regulations.

Solomon Airlines is an SOE and plays a major role as the key tourist transport operator both internationally and domestically. There is a strong argument that Solomon Airlines should have a stronger focus on the development of tourism through, although the Government policy requires the airline to operate commercially.

Virtually all other Government Ministries and Departments have some role to play in national tourism planning, development and facilitation. Many of these Government Departments do not seem to be fully aware of what their particular role is in assisting with tourism planning and development or are simply caught up in their own day to day administrative and portfolio management tasks. DoT should take more of a lead in building stronger linkages with other key Government Departments by pro-actively sharing information and improving the co-ordination of tourism policy, planning, programs and facilitation services.

Further information relating to the role of all stakeholders in the implementation of the SINTDS is provided in Section Seven.

Current Tourism Sector Support Programmes

The main source of support currently for tourism sector growth is through the Solomon Islands Tourism and Inclusive Development (SI-TIDE) project funded through the EIF. As emphasised in the NDS and identified as a priority sector in the Diagnostic Trade Integration Study (DTIS), the EIF National Steering Committee (NSC) endorsed to develop a project that address some of the recommendations of DTIS in tourism sector in the context of NDS vision and mission. The SI-TIDE project will address following DTIS recommendations[4]:

- Use the internet to tap into high-yield markets and make it a major focus for future marketing (DTIS Recommendation 10.2),
- Involve local communities at all stages of the tourism development process (DTIS Recommendation 10.3),
- Conduct research on linkage structures and leakage associated with the tourism sector (DTIS Recommendation 10.4),
- Increase the number of trained tourism staff (DTIS Recommendation 10.5),
- Improve data on visitor characteristics, tourist spend, industry linkage structures and outer island travel (DTIS Recommendation 10.6),
- The SIVB needs to show industry that it is providing real value for money (DTIS Recommendation 10.8), and
- Build the handicrafts trade (DTIS Recommendation 10.10).

4. Tourism Market Context

The Economic Value of Tourism

Whilst tourism in the Solomon Islands is not as developed as some of the Pacific neighboring countries, the sector is already a major contributor to the economy. The World Travel and Tourism Council 2012 Economic Report estimates that the direct contribution to GDP in 2012 from tourism to the Solomon Islands economy was SI$ 349.5 million which was equivalent to 5.2 percent of GDP. The WTTC estimated that this contribution would grow by 4.4 percent to SI$ 517.9 in 2013.

Export income in the Solomon Islands is dominated by the logging sector; as noted in the National Development Strategy, logging is both unsustainable and poorly regulated and managed. Tourism therefore provides a sustainable alternative which can provide employment and income in both urban and rural areas. Tourism also has advantages over mining, as it is labour intensive and offers employment at relatively low skill levels. Tourism can also support better resource management and conservation, as well as support cultural knowledge and traditions by enhancing their economic value and understanding.

Tourism offers the most immediate potential for generating economic growth and income, but the level of growth for the tourism sector needs to be accelerated, as the growth rate has been low compared to many other Pacific countries. The implementation

[4] However, some additional activities/actions have also been developed based on priorities prepared by the MoCT in the Solomon Islands Tourism Task Force Action Plan 2011 - 2015.

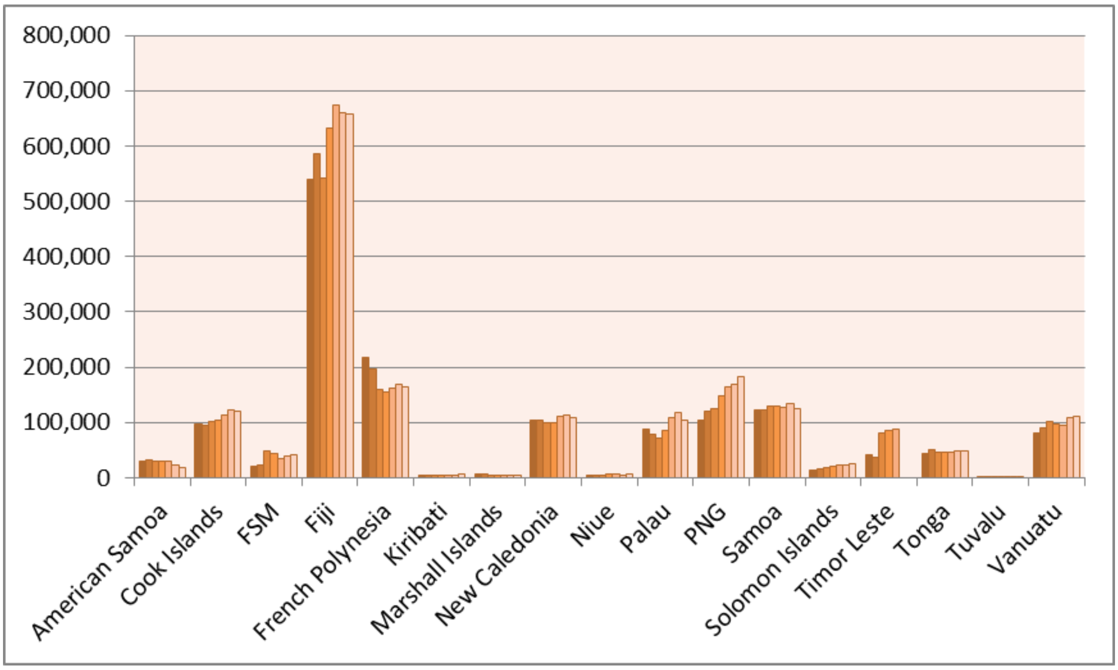
of this Strategy will support sustainable growth of the tourism sector over the next five years.

The Current Tourism Market

The Solomon Islands has underperformed in terms of tourism sector growth. The Solomon Islands market share of all South Pacific air arrivals is less than 2 percent; the country is ranked only twelfth out of seventeen member countries of SPTO in 2013.

In terms of holiday visitors the Solomon Islands receives less than one percent of the Pacific market share; the closest neighboring countries, Vanuatu and Papua New Guinea receive considerably higher levels; Vanuatu receives almost twenty times the number of tourist on holiday, whilst PNG receives around five times as many holiday visitors.

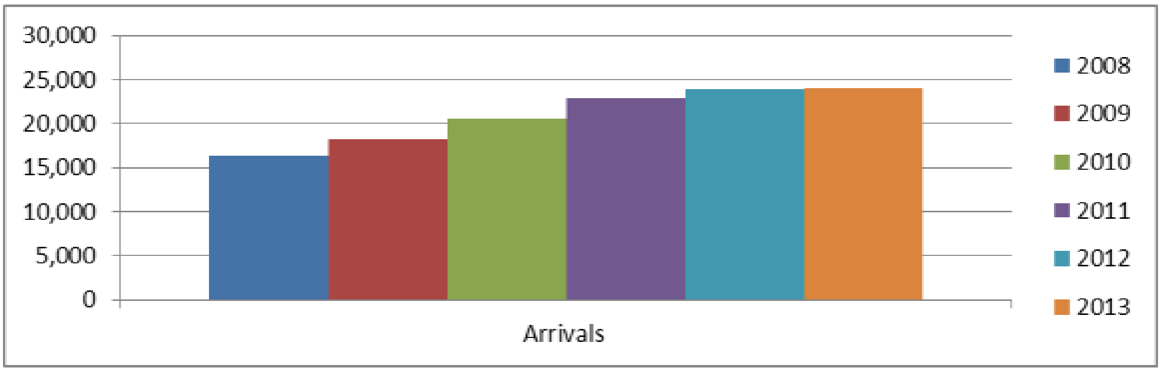
Figure One – Pacific Tourism Arrivals by Country 2007 - 2013



Source: South Pacific Tourism Organisation

The Solomon Islands tourism industry is also slowly and to some extent is still recovering from the decline caused by the Ethnic Tension. **In 2013, the Solomon Islands received some 24,000 tourists**, this is an increase of some 48 percent over a period of five years, from the 2008 total of some 16,300. The Solomon islands is however coming off a low base; overall, Solomon Islands accounts for only 1.5 percent of SPTO total tourist arrivals to the SPTO region in 2013 and arrivals are less than one quarter of those experienced by neighbouring countries (PNG and Vanuatu).

Figure Two – Solomon Islands Air Visitor Arrivals – 2008 - 2013



Source: NSO Solomon Islands

The level of arrivals has declined significantly in 2014; the first six months figure was down around 16 percent on the previous year. This decline is partly due to a decrease in business and corporate travellers, particularly from a reduction in activity by RAMSI and also to the disruption in services from Fiji, which has particularly effected the North American, European and overseas student markets. In addition severe flooding in Honiara in early 2014 produced substantial negative publicity in overseas markets which had a further impact on demand for Solomon Islands tourism.

The main driver of tourism growth for the majority of Pacific countries has been an increase in holiday visitors. Those Pacific countries achieving above average growth rates and an increase in tourism have focused their efforts on the development of the holiday market. The holiday market to the Solomon Islands has been weak and appears to have declined further in 2014.

Figure Three – Solomon Islands Holiday Arrivals – 2009 - 2013

Source: NSO, Solomon Islands

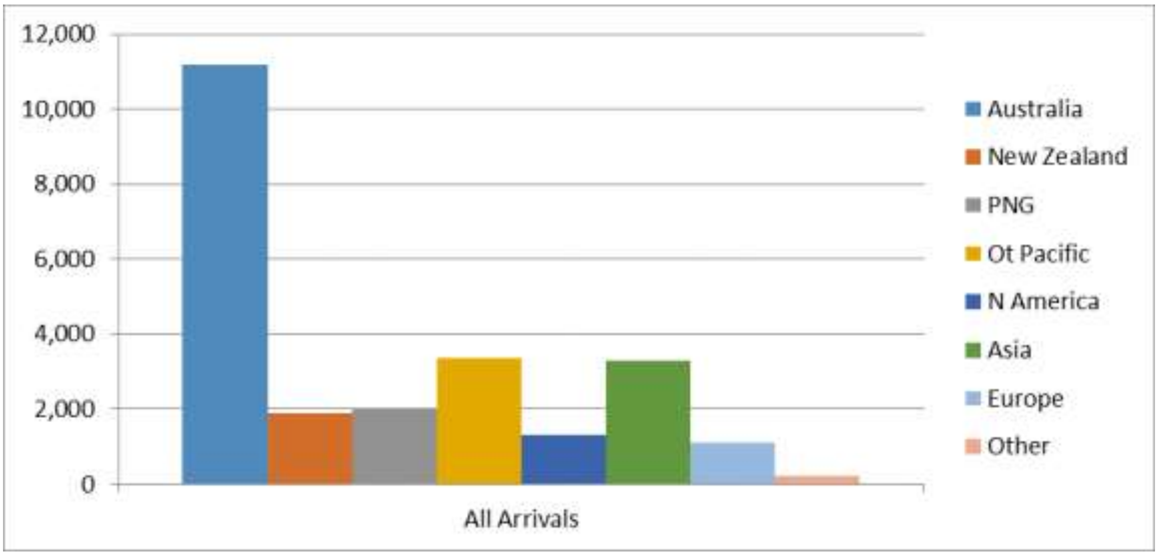
Almost 50 percent of arrivals are from Australia, followed by other Pacific nations, New Zealand, the USA, Europe and Canada.

Figure Six –Solomon Island Holiday Arrivals by Source Market – 2013

Source: NSO, Solomon Islands

In 2012 Solomon Islands Government provided SIVB with a grant allocation of US$0.08 million for its tourism marketing, while during the same period Vanuatu, smaller in land size and three-times smaller by population size, received from its Government US$1.5 million for its own Vanuatu Tourism Office, Fiji US$13.25 million and Kiribati US$0.17 million. Solomon Islands received US$70 million in tourism receipts in 2011, and in 2012 declined only slightly to US$69.98 million.

Figure Four – Solomon Islands Arrivals by Source Market – 2013



Source: NSO , Solomon Islands

Market Research and Visitor Characteristics

According to the most recent source market research[5], one of the current barriers to visiting Solomon Islands from Australia is the limited or very low knowledge of the Solomon Islands as a holiday destination by Australians. According to the research findings, Australian surveyed in the main east coast metropolitan areas of Melbourne, Sydney and Brisbane common responses from consumers included *'not sure what Solomon Island offer as a holiday destination*' and *'not heard anything about the Solomon Islands'*. This highlights the need to increase in the awareness of Solomon Islands and the potential holiday experiences or options in Australia, NZ and other key source markets, in order to increase the interest by potential visitors and increase demand.

However, the research also showed some encouraging findings with regards to the perception of the Solomon Islands by the survey respondents. The main perception (by the limited number who had any prior knowledge of the Solomon Islands) was that the country is unspoiled, remote and has rich Melanesian cultures.

Those respondents that had visited Solomon Islands in the last ten years, the activities they undertook while in the country were cultural tours, fishing, scuba diving and war memorial and relic tours. They also indicated very high satisfaction with almost all areas of their visit and experience in the country except for the standard of the accommodations.

The 2014 Solomon Islands Tourist Survey which was implemented by the South Pacific Tourism Organisation with the financial assistance of the European Union contains a large amount of useful information in regards to visitors to the Solomon Islands. The results relate to all visitors, rather than just holiday visitors and they need to be considered in this context. Key findings of the Survey include:

- 48 percent of visitors had visited previously, although this is much lower for holiday visitors (30 percent)
- Of this who visited previously 33 percent had visited five or more times; thus indicating the high repeat visitation by those on short term contracts who have a high fly in fly out component;
- Almost two thirds of visitors are male (63 percent) over half (53 percent) are solo travelers;
- The average length of stay was 15.3 nights and for holiday visitors this was 13.3 nights; business tourists stay longer at 17 nights
- The vast majority of Australian visitors live in Queensland (72 percent)
- 60 percent of holiday visitors use the internet as their primary source of information on the Solomon Islands (and 32 percent use friends and relatives)
- 58 percent of people made their holiday arrangements themselves and 18 percent used a travel agent or tour wholesaler

[5] Solomon Islands Australia Benchmark Research Report[5] (Sept 2014) by Stollznow Research and Advisory

- The choice of the Solomon Islands as a holiday destination was driven by Culture (41 percent) and Friendly people (36 percent). Activities is the next major influence (27.5 percent)
- The most popular activities for all tourists were swimming/snorkeling, shopping and sightseeing, although those from the USA were more likely to go diving and visiting WWI relics was also a popular activity;
- Only 50.4 percent of holiday tourist stayed in hotels and resorts, whilst 64 percent of those on business chose this accommodation type;
- The average expenditure per tourist was SI$ 1,410; holiday tourists spent more at SI$ 1,714 per night and business tourists spent SI$ 1,296. Tourists from the USA spent more than other nationalities at SI$ 1,895 per night.
- Accommodation accounted for more than half of all expenditure (52 percent) followed by food (20 percent) and local transport (11 percent)
- Holiday visitors had a high degree of satisfaction; over two thirds felt their trip was very enjoyable (72 percent) and overall 90 percent of visitors would definitely or probably recommend the Solomon Islands

Air Services

Four airlines fly into the Solomon Islands, these are Solomon Airlines, Virgin Pacific, Air Niugini and Fiji Airways. Direct international flights into the Solomon Islands are from:

- Australia
- Fiji
- Vanuatu
- Papua New Guinea

Solomon Airlines operate domestic services within Solomon Islands and also operate international flights from Brisbane to the Solomon's four days a week. Solomon Airlines has also scheduled flights from Fiji, Papua New Guinea and Vanuatu, but some disruptions to services have recently occurred due to disputes over traffic rights. Solomon Airlines flies to 21 domestic locations.

Accommodation Supply

The Solomon Islands room capacity is 1,556 with an estimated 141 accommodation capacity – its bed capacity estimated to be 3,076. Almost 55 percent of rooms (851 rooms) are located in Honiara and a further 20 percent in Western Province (324 rooms) – (source SIVB statistics 2013). Makira, Renbel, Malaita and Central Provinces each have three to four percent of rooms supply whilst the remaining 8 percent is split across the other Provinces.

The Solomon Islands has a range of accommodation which is primarily focussed on Honiara; more up-market hotels in Honiara cater for largely a corporate and consultant market.

Outside of Honiara the major tourism Province is Western Province which has world class diving and a range of accommodations product; tourism in other Provinces is more restricted although there are a large number of guesthouses and cultural and nature based attractions.

The majority of accommodation in Solomon Islands is in Honiara; the mid and upper level accommodation is nearly all concentrated in Honiara, although mid-level properties exist in Gizo, Munda and Isabel Province. The average occupancy for the mid and upper end accommodation is reported to be high (estimated at 70 – 80 percent per annum); room rates are also high relative to the quality of the accommodation product.

The top three accommodation categories in the Solomon Islands are:

- 58 percent - Budget
- 24 percent - Standard
- 9 percent - Bed and Breakfast

Tour Operators

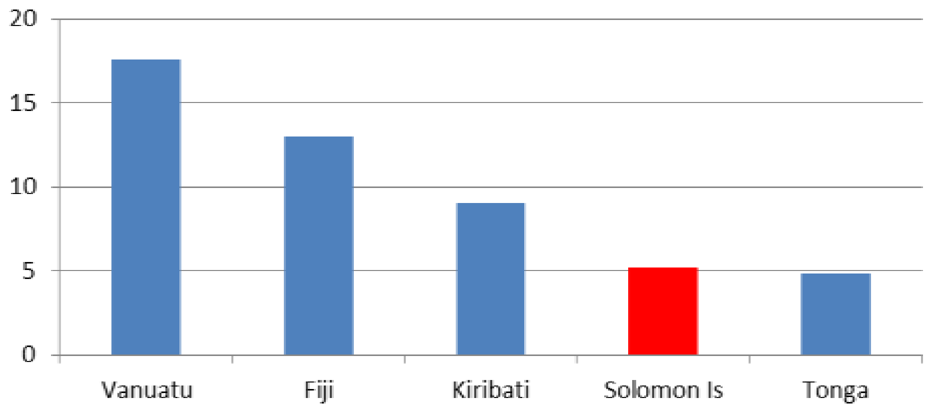
According to the SIVB inventory records of tourism operator in the country, there are ten locally registered tour operators. Five of the tour operators are located in Honiara while three in the Western Province and two in Malaita Province. The most common tour activities offered by the Honiara-based tour operators include battlefield tours, nature walks, snorkeling tours, cultural tours to Guadalcanal villages, bush trekking and cruise boat tours.

Western Province tour operators also covers battlefield tours, dive tours, bird watching, cultural tours and nature walks. The two tour operators in Malaita specializes in cultural tours, bird watching and bush trekking in Malaita.

Economic Value of Tourism

The economic contribution of tourism is small in the Solomon Islands compared to other countries in the Pacific; World Bank research indicates that the contribution to GDP in 2012 was 5.2 percent for the Solomon Islands, compared to 13 percent for Fiji and almost 18 percent for Vanuatu in the same year.

Figure Five – Tourism Contribution to GDP Estimate – Selected Pacific Countries – 2013



Source: World Bank – Seeking Shared Prosperity Presentation - 2014

Tourism Growth Prospects

Globally outbound tourism is forecast to grow by 4.1 percent per annum until 2020 (UNWTO), although in the short term (next two to three years) long haul travel may grow at a slower rate. UNWTO forecasts that Europe will remain the World's leading outbound generator through to 2020, accounting for almost half of all tourist arrivals worldwide

Australia accounts for almost 46 percent of arrivals to the Solomon Islands and around 56 percent of all holiday arrivals. New Zealand accounts for only 4 percent of holiday arrivals and 8 percent of total arrivals.

The Australian economy continues to grow but at a slower rate than in the last few years due to a decline in mining activity and lower commodity prices. In the last few years the Australian Dollar has strengthened significantly against major currencies, although in late 2013 and 2014 the Australian dollar has weakened against the US dollar; the strengthening of the dollar contributed to a substantial increase in outbound tourism from Australia. However more recently (2014) the AU$ has declined significantly against the US$ in particular.

The Australian economy is expected to grow annually by 2 to 3 per cent in the short term. Increased seat capacity and competition in the airline sector have also led to a high level of discounting of international airfares. However an easing of the dollar is likely to impact on the outbound holiday market in the medium term. Australian overseas spending increased by approximately 8 percent in 2011 to AU$ 95 billion. Growth prospects in the medium term from this market are strong.

The economic performance of New Zealand is forecast to remain positive over the next ten years. The real GDP is forecast to increase annually by 2.3 per cent between 2011 and 2020. Outbound tourism is forecast to increase by 1.8 per cent per annum until 2015. In) 2012 international departures from New Zealand were up by 5.4 percent, stimulated by increased capacity and frequency to Asia and Australia and a stronger New Zealand dollar. Growth prospects from New Zealand remain positive in the medium term.

Any growth from the secondary long haul markets of US, Europe and Asia appears to be less certain. Europe continues to struggle to recover from the GFC effects, although the US economy is showing signs of recovery. Economic recovery in Europe is predicted to be long term whilst the US economy appears to be slowly recovering. The Japanese economy shows little sign of improving and has suffered from the double blow of natural disasters and the GFC; the Yen is also weakening against a wide range of currencies and outbound tourism is expected to stagnate in the medium term. China is exhibiting substantial growth in outbound tourism, but the Solomon Islands does not have approved destination status for Chinese travellers which severely limits the potential to expand this market.

Tourism Targets

The SIVB 2014 Marketing Plan *'Taking a Step Change'* indicates that a target of six percent overall would be desirable for Solomon Islands arrivals. This target is reasonable but given the importance of growing the holiday market, the target should be adjusted to establish a realistic target for holiday leisure and overall growth.

Estimates have been prepared for growth in tourism arrivals over the period of this Strategy. These estimates reflect trends in arrivals between 2011 and 2014, regional trends and trends in outbound tourism from the major source markets. Importantly the estimates are based on the implementation of the high priority recommendations contained within this Strategy.

Year	Holiday Visitors	Other Visitors	Est Holiday Growth	Est Growth Other Segments	Overall Growth Est	Est Total visitors
2011	5,796	17,175				22,941
2012	5,849	18,076	+ 1	+ 5	+ 4	23,925
2013	5,886	18,545	+ 1	+ 3	+ 2	24,431
2014 Est	5,000	15,750	-15	- 15	- 15	20,750
2015	6,000	17,325	+ 20	+10	+11	23,325
2016	7,200	18,191	+ 20	+ 5	+7	25,391
2017	8,640	18,737	+ 20	+ 3	+7	27,377
2018	10,368	19,299	+ 20	+ 3	+8	29,667
2019	12,442	19,878	+ 20	+ 3	+8	32,320

The overall compound growth rate is estimated to be 9.2 percent per annum for the five year period for 2015 to 2019.

These estimated growth levels should be established as targets for the sector over the period of this Strategy. However if the estimated growth levels are to be achieved, additional resourcing for destinational marketing, increasing airline seat capacity, as well as other priority initiatives in the area of product development will need to be fully supported .

5. SINTDS- Key Strategies and Actions

Introduction

A number of key constraints which impede the tourism sector have been identified through the planning process underpinning the SINTDS. Many tourism sector constraints have been reasonably well documented in the past, however, the SINTDS provides a consolidated sector framework, supported by a costed and prioritised implementation program.

Five interrelated focal areas form the basis of the SINTDS strategic analysis and prioritized implementation framework as follows:

This section of the SINTDS highlights the key strategic actions which are required to overcome the identified sector constraints and achieve the strategic objectives and goals.

Limited human resource and financial constraints determine that a prioritized and sequenced approach is required to the implementation of the actions identified. This is further defined and documented in Section Seven (Implementation Program).

MARKETING AND RESEARCH

To increase the awareness of the Solomon Islands as well as the demand and yield for tourism products

Background

Destinational marketing is a key component of tourism sector development as it can create demand for tourism products and support business sustainability and investment, which in turn will lead to growth of the sector. In order to compete it is critical that destinational marketing is well resourced, efficiently managed and effectively delivered in the market place. Achieving this will result in increased market exposure and increased demand for tourism products which in turn will provide a key platform for future sector development.

The current system for resourcing destinational marketing is inadequate to support the required activities; the SIVB Act empowers the SIVB to collect a bed levy to support destinational marketing funds. Many operators do not pay the levy (the larger hotels are generally the exception) and it is difficult for SIVB to police and collect. In most countries the NTO receives a substantial grant from Government to support destinational marketing (as well as in some instances private sector funds mandated by legislation (ie in Vanuatu). There is a need to review with method of funding SIVB (including increasing collection of the bed levy) and ensure full accountability of the funds to the public and private stakeholders.

One reason given by industry for non-payment is a lack of information on the use of funds; SIVB need to make further efforts to engage broadly with the industry and provide up to date information on marketing trends, activities and the use of funds.

The Solomon Islands has a lower profile in its major source markets than other regional competitors; this was supported by the recent consumer research in Australia and interviews with the travel trade conducted for the SINTDS. Destination marketing for the Solomon Islands has in recent years been ad-hoc and limited in reach due to limited marketing funds and a low level of capacity within the SIVB. Marketing capacity has recently been enhanced with the appointment of an experienced CEO, but resources for still limited to undertake the required marketing and capacity below CEO level is requires substantial strengthening. In addition the small scale of the sector means that the Solomon Islands has very few operators who have the resources required to promote the destination overseas.

Regional trends show that the short haul markets (and particularly Australia in the short to medium term) represent the greatest market opportunities for the Solomon Islands in the short to medium term. The need for building business based on a high degree of segmentation is critical as the Solomon Islands is not cost competitive with many other regional destinations; marketing needs to focus on areas where the Solomon Islands can compete based on the quality of the experience; the activity based segments based around diving, surfing, fishing, WWII, nature/bird watching and culture/village stay provide a useful basis for such marketing. A summary of these key market segments is provided in Section Two.

Secondary markets may also exist for weddings/honeymoon and a broader regional MICE[6] market, although the competitive advantage of the Solomon Islands is less well defined in these segments and products are currently limited compared to neighbouring countries. More generic adventure holidays for couples in particular also has potential for further development.

The requirement for ongoing and targeted destinational marketing campaigns is seen by most operators, to be the main priority by the sector. There is a strong view that the Government needs to quickly resource destinational marketing activities to ensure the Solomon Islands competes with other countries in the short haul markets as a priority. Industry strongly supports the view that substantial grant funding from Government on a scale comparable with other Pacific destinations, needs to underpin destinational marketing efforts.

The SIVB has recently developed their Annual Marketing Plan 2014 (*Taking A Step Change*), but implementation is constrained through lack of resources. The Plan correctly identifies that Solomon Islands tourism needs to take a step change to become competitive and grow; however **providing adequate Government resourcing to implement the Plan and future Plans is the key**.

Branding

The Solomon Islands current tagline is '*Solomon Islands. So Solomon, So Different*.' The emphasis is placed on adventure and diversity as well as being 'worlds apart but not worlds away'. There has been some debate amongst stakeholders over the strength of the current branding; the 2014 National Tourism Forum resolved to undertake a brand audit. Whilst the strength of the current brand may need to be tested in the longer term, it will be more important in the short term to utilise the current brand in key markets and implement consumer and trade activities to drive demand.

Marketing Strategy

There is also a need to develop and resource a medium term three year Tourism Marketing Strategy. The effectiveness of the Strategy and results from individual marketing activities needs to be closely monitored and reported on by the SIVB management. This Strategy would also include the marketing of selected special events which focus on the identified niche markets.

[6] Meetings, Incentives, Conferences and Exhibitions (MICE)

Other Pacific destinations such as PNG, Vanuatu, the Cook Islands and Samoa, maintain a relatively high market presence by combining the resources of the public and private sector into cooperative marketing opportunities, focussing on limited priority markets, recognising capacity limitations and recruiting suitable external expertise where required and focussing on results. The Solomon Islands needs to adopt this approach to destinational marketing through an adequately funded program managed and monitored by the SIVB. SIVB receives approximately US$ 70,000 per annum from the Government, whilst by comparison Vanuatu receives approximately US$ 1.5 million and Fiji receives around US$ 13.25 million for marketing programmes alone.

Without the required market presence the number of tourists visiting the Solomon Islands will remain at very low levels.

Crisis Management

The Solomon Islands is prone to natural disasters which have a negative impact on the tourism sector. For example, the 2014 floods in Honiara have had a negative impact on overseas markets through adverse publicity, as well as damage to infrastructure and tourism products. There is a need to be pro-active in managing the public relations response in overseas markets, in order to mitigate the negative perceptions which damage tourism potential. In order to assist with this a joint public/private Tourism Action Group should be established to assist with crisis management; this Group should be chaired by SIVB and include key public and private sector stakeholders.

SIVB Capacity Building

Substantial capacity building is also required within SIVB, although to some extent limited local capacity can be overcome by contracting in professional overseas representation and technical expertise. Overseas partner assistance should be sought to support this approach.

Marketing Budget

A useful measure in establishing destinational marketing budget for the SIVB is to consider the budgets and spend levels of competitor destinations. Whilst NTO budget figures do not provide the whole picture in relation to destination marketing spend, (as the private sector from both the source market and destination can make substantial marketing contributions), it is still useful to benchmark NTO expenditure levels against visitor arrivals as a measure of efficiency and to indicate the level of budget required to compete in the marketplace. An analysis of a number of countries in the Pacific (Cook Islands, Fiji, Samoa and Vanuatu) indicates that the average NTO marketing expenditure per visitor arrival, ranges from between twenty to thirty US$ (per arrival), with the majority budgeting at the upper end of this range[7].

[7] In addition to NTO marketing expenditure several countries either directly or indirectly subsidize the cost of international air services to the country – most notably the Cook Islands

If the Solomon Islands wishes to compete in key source markets with its primary competitors, then destinational marketing budgets have to be established accordingly. The implication is therefore **that if the Solomon Islands is targeting approximately 32,000 arrivals in five years' time (as indicated under the SINTDS goals), then an appropriate budget for destination marketing activities would be approximately 1 million US$ per annum**; this would not include administrative costs, or any of the other programs being implemented by the DoT and SIVB.

Supporting Private Sector Marketing

The stakeholder consultation undertaken for the SINTDS revealed that operators require support with market access and product distribution at two levels. The first is though the implementation of the broader destination marketing strategy led by SIVB and the development of co-operative marketing opportunities with the participation of tourism operators and Solomon Airlines; the second level is direct operator assistance to support market access, with the major focus being on on-line visibility and distribution. Operators with on-the-ground presence in the markets and smaller operators that have designated websites with online booking facilities tend to consistently receive visitors (in greater numbers than the others) throughout the year.

In order to support tourism operator development through enhanced on-line access and usage, an ongoing program of support needs to be developed as part of a broader Integrated Tourism Product Development Program. The Program could also include e-marketing support, based on the current program being provided to tourism SMEs through the SPTO (EU funded) regional SME Internet Marketing Program. **An ongoing program of e-marketing should be overseen by SIVB** as this offers the advantage of integration with other business support services such as the initiative by WHL and the planned SIVB online travel agency booking facility for small operators.

Internet Marketing

Utilizing the internet for website and online marketing is an essential tool in the promotion and branding of any destination. SIVB had undertaken a full revamp of its website in 2010 and launched in 2011 when the new branding came into effect. SIVB is now looking at the possibility of establishing an online booking facility on its website as currently there are is an increasing number of private operators being featured on the SIVB website and the medium could be advanced to the next level of sales.

Apart from the current website, SIVB also created a Facebook page for tourism in the Solomon Islands. The month of April 2014 recorded the highest number of visits - a total of 7144 visitors visited the SIVB website and surfing a total of 10,302 pages. The Facebook page 'friends reached 5,545 in August 2014 and the target is to reach 10,000 by the end of 2014.

In general there needs to be a greater focus on the Internet as a marketing tool at all levels of the tourism industry in Solomon Islands and so the SIVB site should aim to be a leading medium for destination promotion site with comprehensive product information. Social media marketing is a key component of this approach. Up to date and accurate information on the safety and security situation for tourists is also essential in order to curb some of the negative publicity which emanates from the Solomon Islands.

The internet is an increasingly important source of information for travellers, but also as a mechanism for distributing products and taking bookings. The online booking space is particularly becoming very important for accommodations and airlines. Hence, SIVB is now considering advancing its role to establish an online booking facility via an online travel agency concept that would target the smaller properties. The SIVB Act does allow the organisation to venture into such initiatives and such an initiative would support broader product distribution.

As indicated above, a high priority should also be placed on the development of private sector internet marketing capacity; recent SPTO support provided with EU financial assistance in this area has been beneficial, but a sustained programme of capacity building and e-marketing support is required.

Research and Statistics

Tourism data and statistics are collected and compiled by the NSO; the data collection process needs to improve to ensure that data is current and comparable with other countries. In addition additional data is required in relation to Provincial visitation as well as on-going expenditure data. This requires some revisions to the data set (ie purpose of visit) as well as additional resourcing of NSO to fulfil their function; donor support should initially be sought to build capacity in tourism data and statistics.

The Solomon Islands has recently benefited from SPTO (EU funded) support for the 2014 Visitor Survey; there is a need to ensure that a process is established and funded to maintain a rolling program (at least every three years) of visitors surveys, so that a wide range of data for marketing and planning purposes can be obtained. SIVB needs to be funded by Government to facilitate this.

In order to be successful marketing has to be underpinned by 'market ready' products which appeal to the target audience; issues relating to product development are considered further in the section below.

MARKETING AND RESEARCH - KEY RECOMMENDATIONS

Short Term Priorities

1. Appropriate an Annual Government Grant through the National Budget for the SIVB that is adequate for an effective

destinational marketing program and at a level similar to the country's main competitors.

2. The Annual Grant should be set at approximately US$ 1 million per annum from 2015 onwards and adjusted for inflation/currency fluctuations.
3. Develop and implement a short term destinational marketing campaign to strengthen demand for the first six months of 2015.
4. Develop a medium term Tourism Marketing Strategy and Business Plan for the SIVB, which incorporates a costed Three Year Destinational Marketing Plan and Annual Activity Programs. Including:
    a. Destinational marketing program
    b. Brand check/evaluation
    c. Overseas and visitor market intelligence and research
    d. A costed program specifying SIVB/private sector and Solomon Airlines contributions
    e. Internet based product distribution program
5. Review the SIVB Act in relation to the enforcement and collection of the bed levy component with a view to increasing collection levels and industry marketing funds
6. Establish a centralised on-line booking facility through SIVB to support market access and bookings for tourism SMEs throughout the Solomon Islands
7. Develop and implement an SIVB communications program (including an Annual Tourism Forum) and ensure close industry liaison on key activities; this program should also include information on DoT activities and policy initiatives.
8. Monitor and evaluate marketing activity effectiveness through an independent Annual Marketing review program and adjust activities accordingly.
9. Build the delivery and staff capacity of the SIVB through complementary donor support including long and short term technical assistance (where required).

PRODUCT DEVELOPMENT AND INVESTMENT

To support tourism products that enhance the Solomon Islands competitive position

Product Development Strategy

Government resources to support product development are limited; the Government does not have adequate resources to directly fund or subsidise public or private sector tourism products; Government's role is to provide a conducive environment for private sector investment tourism products. Previous efforts by Government to provide direct funding to product development initiatives have proven to be unsuccessful and a poor use of public funds[8].

The **focus of product development under the SINTDS is on**:

- Supporting market access for operators to facilitate product distribution
- Supporting quality standards by introducing an accommodation grading, standards and classification system
- Supporting linkages between existing operators through the development of thematic Trails reflecting the Solomon Islands unique cultural and natural assets
- Supporting investment and re-investment by enhancing the business enabling environment
- Supporting investment and re-investment by introducing investment incentives for tourism products which reflect high priority segments under the SINTDS

Product Segmentation

There is no established categorisation or grading of accommodation in the Solomon Islands. However the SINTDS analysis indicates that the accommodation products in the Solomon Islands generally fall into four distinct categories:

- The mid to upper end hotels and serviced apartments in Honiara that cater for and rely on demand from the corporate and business market (including NGOs and aid related workers) , small meetings, with a small VFR and leisure market;
- The small mid-level resorts which cater for the small existing leisure market (mainly divers, but also fishing and surfing) and also cater for Provincial business travellers (including NGOs and aid related workers) and meetings; these resorts are largely in the Western Province;
- Other Provincial accommodation (including Honiara) at low and mid-level, catering largely for business travellers including local business, NGOs and aid workers;
- Small remote guesthouses which cater mainly for small numbers of international guests looking for remote and authentic natural and cultural experiences.

It is important to recognise the difference between these broad categories as they appeal to different markets and have different selling points. If future tourism sector development will be underpinned by growth of holiday visitors, then products must be supported that appeal to that target market. **This requires complementary strategies to be implemented** which recognise the existing products, quality requirements and market appeal.

Product Development Opportunities

Much of the existing tourism product in the Solomon Islands is currently underutilised. Occupancy rates for many accommodation operators are low due to the small scale of the

[8] The MoCT recently reported that most projects provided with grants since 2008 were unable to provide an acquittal of the funds and there is little evidence of any increase in visitation as a result of these initiatives.

current market. **As a priority the Solomon Islands needs to build market demand and scale in order to underpin investment and industry growth**. A number of key product development opportunities exist in the medium to long term and these include:

- Small/medium boutique resorts catering for environmental and cultural tourism
- Medium to large resorts (in and around Honiara) with supporting conference and leisure facilities
- Cultural and environmentally based attractions
- World War II attractions and thematic activities
- Water based activities including diving, surfing and fishing
- Themed Tourism (Adventure, Heritage and Culture) initially in Western Province and Guadalcanal/Florida Islands)

The Solomon Islands is able to offer a range of accommodation products from simple guest houses to mid-level boutique resorts. This is one of the destinations strengths. However outer island tourism products are relatively costly when the domestic transport component is taken into consideration. Higher yielding, niche markets, focussing on the natural and cultural attributes of the destination, are generally prepared to pay more for their experience and the outer island products in particular need to differentiate themselves based on their cultural and environmental attributes.

Developing Tourism Trails

One key issue for the Solomon Islands in the past has been the ad-hoc nature of support for product development. Government funding has been widely dispersed and largely ineffective, training has been limited by lack of resources and marketing efforts have been spread too thinly across products, including ones which are relatively inaccessible and difficult to access.

In the short term the Solomon Islands needs to develop, package and market **key existing products based around a series of tourism routes or Trails**: this concept has been successfully used in many countries to support product development two major Trails are proposed which reflect the current distribution of key products and the linkages between them, as well as transport infrastructure and the requirements of the key target markets;

- **A Western Province Adventure Trail** – which extends from Honiara through to Munda, Gizo and Seghe. This Trail would link a number of key natural and cultural based attractions including those in the Marovo Lagoon and around Gizo as well as adventure activities including dive sites, surfing, nature, WWII and fishing.
- **A Guadalcanal and Central Province Culture and Nature Trail** – which includes Honiara and extends through the Florida's to include key nature based tourism sites, dive locations, culture and WWII. This Trail would link a number of key natural and cultural based attractions including those in and around Honiara and the Florida Islands and Central Province.

Further Trails including extensions out to Isabel, Renbel and Malaita, to link other existing products can be developed once these initial two have been established. The development of these additional Trails should be subject to further assessment of existing products, market demand and access constraints.

The development of these two touring routes or Trails provides a basis for focussing support in relation to product development and marketing support. The two routes utilise existing transport and infrastructure and link together existing products along key themes such as diving, cultural heritage, WWII and nature based tourism.

As part of a broader Tourism Trail concept, a World War II heritage trail based around Honiara has particular potential for development in the short term and **could eventually be developed into an iconic tourism product** as the area was the location for several iconic military engagements and has an existing visitor market to build on. Potentially WWII tours and a range of activities could be developed, in a similar concept to the Pearl Harbour tours, which combine land and sea tours with informative commentary and information. This type of development would also assist Honiara in positioning itself for the further development cruise market.

In the short term to medium term product development support should focus on these development of these two Trails.

Product Development Support Program

In the longer term, strengthening and improving the existing tourism products in the Solomon Islands is a key strategy to ensure that the existing products meet consumer needs and become sustainable investments. An integrated and focussed approach to product development is required to create quality products and support existing operators. This approach is illustrated and further outlined below under four key pillars;

Market Access and Product Distribution

Operators require support with market access and product distribution at two levels; the first is through the implementation of the broader destinational marketing strategy and the development of co-operative marketing opportunities (outlined in Marketing the Destination

Section); the second level is direct operators assistance to support market access, with the major focus being on on-line visibility and distribution.

In order to support tourism operator development through enhanced on-line access and usage, an ongoing program of support needs to be developed as part of a broader Integrated Tourism Product Development Program ; the Program could also include e-marketing support, based on the current program being provided to tourism SMEs through the SPTO (EU funded) regional SME Internet Marketing Program; an ongoing program of e-marketing should be overseen by the DoT (as part of a broader Product Development Program). The development of an SIVB internet based booking engine will also greatly assist smaller remote operators with their product distribution.

Quality Standards

There is no system of quality standards or tourism accreditation currently operating in the Solomon Islands. There is a need to develop and introduce a system of classification and minimum standards across the accommodation sector. Initially the system should focus on minimum standards and on criteria for grading and be a voluntary programme monitored by the DoT; the future development of the program could include formalisation of the standards through regulations which would be linked to the business licencing process, in order to facilitate compliance. The development of quality standards needs to start with the development of voluntary minimum standards for guesthouse style accommodation and evolve over time into a system of classification and grading covering the other sectors.

Training and Business Support Services

Business and workplace training and business mentoring and support services in the Solomon Islands are severely under resourced[9].

SBEC is providing a valuable service to strengthen capacity in relation to business management and business sustainability; the organisation has recently had to scale back activities due to a reduction in government and donor support. New avenues for supporting their activities need to be investigated with a sectoral focus in key areas (ie marketing) as well as general business focus in others (ie financial management).

Scaling up level of business support and training activities would potentially have considerable benefits; business mentoring has particular relevance with many locally owned businesses requiring assistance with business management and marketing. Internet marketing capacity in particular is a critical requirement for tourism operators and assistance in this area needs to be further provided. The New Zealand Government funded Business Mentoring and VSA Programmes and the Australian AVA Programme are particularly beneficial and efforts to increase this level of assistance and other volunteer programs in the tourism sector should be further developed.

[9] Training for tourism businesses is also covered in the Section – Human Resource Development

Access to Finance

Access to finance for new investment and for the upgrading of existing properties is an issue for tourism operators. Access to finance is constrained by a combination of limited collateral, high interest rates, low profitability and in some instances the limited business and financial planning and marketing planning skills of operators.

Some operators consider that investment in upgrading standards requires a subsidy from Government. Others recognise that ongoing business investment can only be supported in the longer term through viable and profitable business ventures, particularly where Government financing is severely constrained under the current fiscal position. The approach supported through the SINTDS in relation to increasing access to finance will be multi-dimensional and will include:

- Increasing the ability of tourism businesses to service loans by supporting market development through destinational marketing
- Increasing the capacity to manage tourism businesses by providing business support services including mentoring, consultancy services and training in financial management and business planning
- Improving the lending environment and reducing risks for lenders by improving the commercial legislative framework in relation to lending
- Introducing a highly competitive range of tourism specific investment incentives (see below)

Accessing and Upgrading Attractions

Many of the Solomon Islands major attractions are environmentally and culturally based; key environmental draw-cards include the beaches, the marine attractions, mammals, birdlife and cultural sites including the WWII heritage sites across the country. Often the attractions are poorly managed from a visitor perspective, subject to unsightly rubbish, poorly maintained, poorly signed and in some cases subject to ad-hoc entrance fees. If the Solomon Islands is to harness growth based on the competitive advantages around culture and environmental attractions, then the government has to take a much stronger line on enforcement of existing legislation in relation to environmental management, improve visitor safety and accessibility through site and access road maintenance, comprehensive guide training and improved signage. A program for the development and management of key visitor attractions needs to be established, which leads to the ongoing improvement and product development of these attractions.

In addition there is a need to facilitate a greater integration of the Solomon Islands culture into the tourism sector; this is particularly in relation to visitor attractions, commercial opportunities for cultural based tour products and stronger linkages with associated key income generating areas, such as handicrafts. The development of 'a living handicraft centre' in central Honiara, which integrates all of these aspects could potentially be a tourism drawcard, particularly for the cruise shipping sector. However all of the islands would benefit from improved display and quality of handicrafts and the development of cultural and heritage tourism products.

Land use planning controls and building regulations also need to be enforced and zoning controls used to protect tourism products. Development appears to be haphazard and without adequate control over land use zones and potentially conflicting land use types. More detailed tourism land use zones and site classification needs to be developed through a series of Provincial Tourism Plans which can then be integrated into the formal planning process.

The Solomon Islands culture also provides a key point of difference for the tourism sector; this includes WWII heritage. WWII heritage sites are an important component of the tourism product, but generally such sites are poorly maintained and managed.

Key land and marine based natural areas are major tourism assets which attract visitors and these require further identification and protection. The further development of Marine Protected Areas in particular is considered to be a critical component of supporting marine product development, particularly diving, in the future as well as existing asset protection. Designated land and marine based Protected Areas should also be incorporated into any future Provincial Tourism Plans.

The advent of natural disasters and the need for disaster risk management is closely related to climate change. Tourism operators require training and upskilling in disaster risk management and suitable strategies need to be integrated into the site and facility design components, as well as the on-going operational procedures through mitigation measures relating to emergency evacuation and guest information and briefing.

Investment

Both international and domestic Investment in new and existing tourism products will be essential if tourism is to grow in the longer term in the Solomon Islands. Currently the investment climate in the Solomon Islands is less favourable than in many other competing destinations due to the combination of factors outlined in this SINTDS. In order to create a more attractive investment climate a holistic approach needs to be taken to the development of tourism and the implementation of the SINTDS. Specifically, a number of actions directly relating to the investment process can be implemented and these are outlined in this section.

The Solomon Islands competes with other regional and destinations to attract tourism international investment; the global nature of investment requires that the Solomon Islands requires a stable and competitive investment environment if investment attraction is to be successful. Currently the lack of a formal and transparent system of tourism investment incentives detracts for the investment attractiveness.

In the short term it is critical to build visitor demand for existing tourism products. In the longer term it will be important that competitive and attractive tourism incentives are developed for the Solomon Islands if the level of investment is to increase substantially. The incentives developed should be at least comparable with competing destinations and targeted at the specific investment opportunities.

In summary a range of tourism investment incentives should be provided for accommodation developments under 'major new investments' and 'small and medium sized investments', as well as additional incentives aimed at development of key products in marine tourism and aviation; further provisions are made to encourage additional joint ventures to facilitate local Solomon Islands equity partnerships. These are summarised below:

Investment Category – Major	**Minimum investment requirement SI$ 20 million (excluding land cost)**
Tax Free Period	A ten year company tax holiday for capital investment of not less than SI$ 20 million
Import Duty Exemption	Import duty exemption on all capital goods which are not available locally
Trading Loss Tax Offset	Carry forward losses for up to 8 years in succession
Accelerated Depreciation Allowance	Twenty percent depreciation (not including land) can be written off within any 5 of 8 years
Electricity generation	Hotel electricity plant will be allowed to generate its own electricity and sell the excess to the electricity grid
Investment Category – Small to Medium	**Minimum investment requirement SI$ 1 million (excluding land cost)**
Investment Tax Allowance	An investment allowance of 55 percent of total capital expenditure can be offset against income from the tourism business, provided that there is no shift of tax revenue offshore Allowance is applicable to renovations, refurbishments or extensions of existing accommodation businesses Allowance can only be written off against the income from the tourism business
Trading Loss Tax Offset	Carry forward losses for up to 8 years in succession
Import Duty Concessions	5 percent concessionary fiscal duty + GST (15.0 percent) on building materials, furnishing and fitting, equipment including front office equipment, room amenities, kitchen and dining room equipment and utensils which are not manufactured in the Solomon Islands 5 percent concessionary fiscal duty + GST

	(15.0 percent) on specialised water sports equipment (e.g. water jet-ski, water bike) and other similar goods which are not manufactured in the Solomon Islands 5 percent concessionary fiscal duty + GST (15.0 percent) on heavy plant and machinery for resort project development work provided such plant and machinery is re-exported after completion of the project
Accelerated Depreciation Allowance	Twenty percent depreciation (not including land) can be written off within any 5 of 8 years
Electricity generation	The business will be allowed to generate its own electricity and sell the excess to the electricity grid
Marine and Dive Tourism Incentive	**Marine Vessel – Minimum Cost SI$ 2 million** Tourist vessel investment allowance of 55 percent of capital expenditure in relation to vessel purchase cost can be offset against future income from the business. If allowance unutilised after 3 years, it may be set off against income of other marine vessels or income from other tourist activities carried on by the vessel owner
Dive Equipment	100 percent duty exemption on dive equipment
Aviation Incentive	**Minimum Investment requirement SI$ 5 million**
Import Duty and GST Exemption	100 percent duty exemption on aviation fuel Aircraft investment allowance of 55 percent of capital expenditure in relation to purchase cost can be offset against future income from the business.
Tourism Joint Venture Incentive	**Minimum investment requirement SI$15 million (excluding land cost)** Further 7 years of company tax exemption for hotel developers who have local Solomon Islander equity partnership of 25 percent minimum

Access to finance was raised by some stakeholders as a constraint on investment for tourism businesses in the Solomon Islands; the financial institutions report strong liquidity however and the issue may be more related to the ability of tourism businesses to repay debt and the relatively high interest rates which prevail in the market cost. The banks maintain that the interest rates reflect the cost of capital and the risk of lending. Subsidising interest rates for investors is not an option due to the Governments' tight fiscal position; increasing the profitability of tourism businesses will be the sustainable option and is an overarching goal of this Strategy.

One mechanism that will assist investment in the sector and which reduces investment risk in the tourism sector is through the use of strata titling. This form of project financing enables developers to diversify their funding base and has been utilised successfully in Australia and New Zealand as well as several Pacific destinations, including in Vanuatu and Fiji. Appropriate legislation needs to be formulated to develop an approvals process and appropriate regulations and licencing for strata titled developments as a matter of urgency, in order to facilitate investment through this financing mechanism.

Business Enabling Environment

Improvements to the business enabling environment will be vital to the future growth of tourism in the Solomon Islands, as existing business, re-investment and new investment can ultimately only be self-sustaining if profitable business opportunities can be realised by the private sector. Changes to the enabling environment in the Solomon Islands should be a priority for the Government as many changes will have a positive impact on the fiscal position of the country, as well as broader economic benefits.

One major factor which inhibits private sector growth and investment is corruption. Consultation undertaken as part of the SINTDS indicates that corruption is widespread among officials and politicians at many levels.

Consistency of business regulation enforcement is vital to ensure a 'level playing field' for investors. This is particularly so for foreign investors who are subject to greater regulation and control through visas and foreign investment approvals. Businesses are also subject to a range of other regulations including in areas such as liquor licencing, health and safety regulations and building approvals; there is a need to ensure that the enforcement agencies must be consistent and transparent in the application of regulations. Corruption undermines business regulation and potential expansion and needs to be consistently removed through prosecution of those involved. Removing corruption at all levels would substantially enhance the investment environment in the country.

PRODUCT DEVELOPMENT AND INVESTMENT - RECOMMENDATIONS

Short Term Priorities

1. Initially develop and support two Tourism Trails (Western Province Adventure and Guadalcanal/Central Province Culture and Nature Trail) to focus product development and marketing support. Trails to include:
    a. Online product information across key environmental and cultural tourism themes such as WWII, nature, dive, fishing, cultural tourism
    b. Marketing support for promotion of the Trails

   c. Centralised on line reservations support for Trails products including small accommodation providers
   d. Identification of infrastructure upgrades to support Trails development and visitor attractions development, with a focus on land and marine based Protected Areas
   e. Business support training through Volunteer programs for existing operators
2. Develop system of minimum standards and grading for accommodation providers.
3. Formalise and introduce the identified Tourism Investment Incentives outlined in SINTDS.

Medium Term Priorities

1. Implement the Product Development Support Programme commencing with:
   a. The development of a system of voluntary minimum standards for accommodation operators
   b. Supporting business and workplace training for small tourism operators through Volunteers and Government support
   c. Supporting product distribution though a centralised (SIVB managed) on-line reservations system
   d. Support on-line development by tourism operators through targeted training
2. Review potential to further expand the Tourism Trails concept in Malaita, Renbel and Isabel Provinces.
3. Support an improved Business Enabling environment by removing corruption from all elements of the business environment through investigation and prosecution of all identified cases.
4. Develop broader Tourism Industry Accreditation Programme.

HUMAN RESOURCE DEVELOPMENT

To build tourism human resource capacity in the Solomon Islands

Tourism and Hospitality Workforce Planning and Training

Sector Employment Levels

According to the SIVB statistics between 2007 and 2013, the number of employment generated by the tourism sector of the country has been growing exponentially. In 2007, total employment in the accommodation actor only was 346 but as number of accommodation providers grew between 2008 and 2013, employment in the sub-sector also increased by three and half fold.

Total employment estimates vary considerably; according to the WTTC in 2013, the total contribution to employment by the travel and tourism sector was 22,000 jobs or 11.5 percent of total employment[10].

However the 2014 SPTO Tourism Employment Survey found has a much lower estimate at 2,421 employed in accommodation establishments (which are estimated to be 78.3 percent of total employed in the sector).

Responses to the Solomon Islands TNA Survey indicated that 65 percent of employees are male and 35 percent female in the hospitality and tourism sector.

HRD Training Needs and Planning

Comprehensive workforce development requires the delivery of effective training at several levels, in a coordinated and sustained way. The majority of training in the sector in Solomon Islands is carried out by the industry operators as on the job training. Being a relatively isolated destination, management and staff have little exposure to the industry outside of the Solomon Islands and few workplace training opportunities exist.

The Human Resources – Travel, Tourism and Hospitality (TNA) Training Needs Analysis Report[11] indicates that '*to achieve sustainable growth in the industry it is essential for business to invest in people skills, and in doing so, build a strong and adaptable workforce*.'

The most common skills required according to the Survey are Customer Service, People Management, Management and Leadership; Organisation, Planning and Coordination are seen to be most important. Budgeting, computing, accounting and product development were also rated highly by the Survey respondents.

Reasons for not providing training were firstly a lack of financial resources and secondly a lack of information on training. Possible decline and uncertainty over the tourism sector was also an impediment to the delivery of training. In house training was the preferred method of delivery, followed by one week short courses.

The EU funded Pacific Regional Tourism and Hospitality (PRTH) HRD Plan[12] indicates that the major '*challenge is really one of building the sector in these areas to an extent that it can support a sufficient critical mass of visitors to make operations sustainable*.'

Key Issues for HRD

The following key issues are identified in the PRTH:

[10] WTTC indicate this includes direct, indirect and induced

[11] Human Resources – Travel, Tourism and Hospitality Training Needs Analysis, Solomon Islands – Charlie Panakera University of Waitago (2009)

[12] Pacific Regional Tourism and Hospitality HRD Plan (2013) – South Pacific Tourism Organisation

- The local training opportunities in tourism and hospitality are limited. The Solomon Islands National University (SINU) is the main tertiary skills training institution in the country, with an intake of approximately 1,500 students per annum.
- Tourism and hospitality training is limited but growing and in recent years curriculum development links have been built with AUT in New Zealand.
- Skills levels in the tourism labour force are limited. There is a need for a range of skills across all sectors of the industry.
- In addition information on the available tourism and hospitality workforce skills is limited; no database of tourism and hospitality graduates exists for example and no workforce survey has been undertaken.
- Further capacity building would be supported through a programme of internships in the public and private sector for tourism and hospitality graduates. Incentives (such as tax rebates) for private sector and graduate participation would facilitate the adoption of such a placement/work experience scheme.
- There is limited capacity to develop SME owner skills, especially away from urban centers. There is a need to upgrade SME skills in business management, marketing and customer service. Customer service is also a challenge for the larger properties and currently there is no industry wide system of recognizing customer service in the sector.
- The Government of Solomon Islands and the Government of Australia have agreed to jointly support HRD (not specific to tourism):
    - Improving learning outcomes, especially in literacy and numeracy and especially for children in the early years. Girls' education and training remains a major priority for both SIG and Australia's development assistance program;
    - Increasing the number of Solomon Islanders who possess technical and vocational skills in areas of demand, both domestically and abroad;
    - Increasing the capacity and performance of current and future leaders in the education and training sector.
- Literacy rates and numeracy rates are still low. Just one out of every two learners meets the literacy standards for year 6 and more than half are underachievers in numeracy.
- The planned National Human Resources Development and Training Council (NHRDTC) is expected to coordinate and supervise all professional training in the country and monitor the quality through a National Qualifications Framework.

Supply of Local Tourism and Hospitality Training

The Solomon Islands National University started operation in 2013 and took over from the Solomon Islands College of Higher Education (SICHE). SINU has established a Department of Tourism; course materials were developed with the assistance of the MoCT, but training has been re-scheduled to commence in 2015. SINU needs to recruit additional qualified and experienced trainers and a Director of Tourism, although demand for courses is high. The SINU will deliver training at Diploma and Certificate One and Certificate Two level. The tourism and hospitality courses were developed with the assistance of the University of Waikato and are TAFE based.

Over 100 students have already applied for tourism and hospitality training at SINU; courses are fee based costing approximately between SI$ 10 – 15,000. The Department operates without any donor funding and also offers courses in Business including Diplomas in Finance, Banking, Office Management and Administration. Demand for Business courses is high with over 5,000 applicants, whilst the University can only cater for 1,500.

A key constraint in the Solomon Islands is the small pool of registered qualified workplace trainers to provide the skills required within industry, outdated resources and unserviceable or inadequate equipment, as well as the lack of accredited training.

The Solomon Islands is also disadvantaged compared to Fiji, Samoa and Vanuatu, by not having locally available tourism and hospitality training through APTC, which places a greater requirement on existing locally run technical training institutions, which are inadequately funded and lack capacity. Students from the Solomon Islands do go overseas to attend APTC courses however.

The MoCT have requested SBEC to assist with the delivery of business related courses for small tourism operators, including Managing Your Business, Costing, Pricing and Bookkeeping. There is a need to develop an ongoing programme of vocational training for small operators and both Government donor funding should be sought to assist with this.

Identified Initiatives

The following proposals are presented in the Pacific RTH Plan:

- It is essential to ensure adequate resources for tourism human resource development at all levels of education
- To achieve sustainable tourism there is a pressing need for SME training. It is especially important to build entrepreneurial capacity in the ecotourism sector. The introduction of a scheme of Tourism Awards would also be beneficial in increasing awareness of and recognition for good customer service.
- It is important to continue the mainstreaming of tourism content in the school curriculum.
- There is a pressing need for accurate information on the tourism labour force, in particular: the number and gender breakdown of staff in different sectors, turnover rates and the trajectories taken by tourism graduates.
- Cruise ship/port preparedness training is required if the benefits associated with the cruise sector are to be maximized. In particular it is critical to bring together key stakeholder groups so they can understand the critical role they

play in sustaining the sector.

- Continued development and benchmarking of the national qualifications framework is essential as industry demands for skilled personnel continue to grow and evolve.

HUMAN RESOURCE DEVELOPMENT - KEY RECOMMENDATIONS

Short Term Priorities

1. Recruit Director and suitable trainers and launch the Tourism and Hospitality Training Programme at SINUS in 2015

Medium Term Priorities

1. Further resource and expand SBECs role in workplace training delivery, business mentoring and on line resource access and business support services by contracting of services by DoT.
2. Develop and publish an Annual Tourism and Hospitality Training Calendar of workplace training based on existing provision.
3. Introduce a system of Tourism Awards to recognise 'Best Practice' in tourism operations with a focus on customer service.
4. Ensure all tourism and hospitality qualifications are integrated into a National Qualifications Framework.
5. Review the secondary school curriculum and introduce tourism learning modules as a compulsory subject for all students.
6. Prepare a Tourism and Hospitality HRD Plan for the Solomon Islands, including employment/labour survey and training needs/gaps analysis.
7. Support industry placements and work experience through a system of tax based incentives for employers in the tourism and hospitality sector.

TRANSPORT AND INFRASTRUCTURE

To improve destination competitiveness through increased accessibility, infrastructure use and competitive, safe and reliable transport

Background

Major infrastructure improvements require careful consideration and assessment; investments are costly and need to be closely aligned to market demand. The provision of infrastructure upgrades will not necessarily lead to additional visitation, although additional services and product development can be facilitated where unmet market demand is evident.

The National Infrastructure Investment Program (NIIP) provides the basis for the government investment program in infrastructure in the medium term.

Prioritisation under NIIP has been undertaken using a scoring methodology based on the eight NDS objectives. This prioritisation methodology does not directly relate to the needs of the tourism sector as a broader range of needs and objectives are considered. If the importance of the proposed infrastructure projects is assessed based on the Economy factor identified in the NIIP (Page 71) the main priorities for the Solomon Islands are the:

- Henderson Apron Upgrade
- Provincial Runways Upgrade

Aviation and Airports Infrastructure
Air transport is clearly a vital component of the tourism supply chain; tourism cannot grow unless reliable and competitive international and domestic air services are in place**. The major short term challenge for aviation in the Solomon Islands is to ensure a supportive policy and institutional environment is in place for competitive and stable international and domestic air services. Hand in hand with this is the need to ensure that the existing infrastructure to facilitate air services to key tourism areas is adequately developed and maintained**.

The NIIP indicates that the privatisation of Solomon Airlines remains a medium term option for the government under the NIIP as the Plan indicates *'This is largely in response to the needs of the tourism sector where growth is dependent upon the improved management and delivery of air services'*.

In Solomon Islands, most of the provincial airfields and the terminal facilities at Honiara International Airport are owned and operated by the government under the Civil Aviation Authority SI (CAASI) of the Ministry of Aviation and Communications. The CAASI operates 19 airfields in the country. Some remote district airfields and landing strips are either owned by local and Provincial Governments or privately owned and hence, have the potential to be operated by commercial interests. Whilst there is only one designated international airport, the recent upgrade of Munda Airport runway and the planned second improvement phase is planned to make Munda an emergency alternate runway.

The maintenance of airport infrastructure remains a challenge for the Solomon Islands; the Government is proposing to establish an SOE to manage Henderson Airport, with view to improving the management and maintenance of this vital asset. **The benefits of this approach are endorsed through the SINTDS**.

Direct international flights to Munda are unlikely in the short term due to limited demand and limited scale of accommodation facilities; airports planning the Solomon Islands is based on Hendersen Airport (Honiara) continuing as the international/domestic connection hub for the foreseeable future. It is planned that Munda will operate as an alternate international airport to accommodate emergency landings and international services when Henderson is non-operational.

Seghe is a key airport in the Western Province as it is the gateway to the Morovo Lagoon, a key tourism 'Icon' for the Solomon Islands; the airport needs to be upgraded to Dash Eight level, to facilitate a Seghe, Gizo, Munda round service; this would also support the development of a Western Province Tourism Trail (see Product Development and Investment Section).

Another important airport for the developing surfing market is Suavanao and there is a need to upgrade the airport to accommodate Dash 8 services (to carry surf boards).

Land issues continue to impact upon the operation of several airports in the Provinces; closure of airstrips and suspension of air transport services makes tourism development extremely difficult, as most of the market is not prepared to use domestic shipping services. These disputes impede tourism development prospects, particularly on Malaita and the Reef Islands.

Consultation with Solomon Airlines, CAASI and other stakeholders, as well as a review of Government investment plans indicates that **the following are priorities for air infrastructure development:**

- Hendersen Airport, Honiara– a need to upgrade the terminal facilities and upgrade of the runway surface;
- Seghe – upgrading of runway to accommodate Dash Eight services;
- Munda – need to complete navigational aids, runway lighting and fencing to enable operation as an alternate international airport;
- Suavanao – upgrading of runway to accommodate Dash Eight services;
- Upgrading of other Provincial airports on Makira, Temotu, Anua and North Malaita to accommodate Dash Eight services.

From a tourism perspective the priorities in the medium term are:

- firstly, to ensure adequate maintenance is undertaken at Hendersen to accommodate existing and any future service; in the short term the priority is runway resurfacing and terminal upgrading to improve the passenger experience;
- secondly to complete the upgrading of Munda to enable operation as an alternate international airport; and
- thirdly to complete the required runway upgrade at Seghe to facilitate Dash Eight Services.

Currently several routes served by domestic air services are non-commercial; whilst there is a community service obligation to provide airline services on these routes, an explicit subsidy agreement should be put in place with Solomon Airlines and the Government to avoid cross subsidisation from other routes.

Both Virgin and Solomon Airlines have a key role to play in developing tourism in the Solomon Islands. Both airlines major segment is the corporate traveller.

On the international sector, Solomon Airlines has recently commenced a flight service between Sydney and Honiara. The airline is looking for greater utilization of the Airbus A320, which currently has additional available capacity. There is a need to support this initiative with greater marketing support and to consider the viability of extending this service in the medium term (outside of the initial three month period).

Solomon Airlines already has some planned initiatives to further develop the holiday market. As part of Solomon Airlines' commitment to driving the tourist segment, it is participating in the Discover South Pacific Pass, which is sold in the UK and Europe and target mainly the long haul markets. Solomon Airlines is also looking at increasing the number of General Sales Agents (GSAs) in Asia as part of its strategy to increase sales and drive an increase in tourist business. In the short term, there is a need for Solomon Airlines to work more closely with the SIVB on targeting leisure travel from Australia.

As an SOE, Solomon Airlines needs to be given an objective to support the development of the holiday market to grow leisure traffic to the Solomon Islands. Specifically the Government should encourage the airline to:

- Ensure that there is no cross subsidisation between domestic routes or between international and domestic services;
- Develop competitive international fares for the leisure traveller;
- Provide discounts for international holiday visitors on domestic travel sectors including multiple and single sectors, to stimulate Provincial travel;
- Develop an inbound operation to support product distribution and sales in the leisure market;

In addition annual targets should be established by the Government for Solomon Airlines to achieve in relation to the number of holiday visitors to visit the country for the next five years. These targets should be part of the Solomon Airlines corporate planning process and reporting process to Government and should be included as agreed targets for senior management to achieve.

The cost of domestic air transport services is also a constraint on tourism development, particularly for the outer islands. Other competing destinations, such as Samoa, Cook Islands, Fiji and Vanuatu, can offer the majority of their tourism products on the main island, without the necessity of additional cost to the visitor of a domestic air transport sector. The Government needs to further examine the potential for introducing additional competition on domestic and international air routes to support tourism growth.

Other Pacific countries benefit from small charter and private operations (Fiji, PNG and Vanuatu for example), which are often dedicated to the leisure traveller. **The Solomon Islands would benefit from the introduction of such services which would assist in increasing frequency and potentially reduce costs for the consumer**. Greater Government efforts need to be made to facilitate an open skies policy and promote investment by interested providers which would provide additional services and competition to Solomon Airlines on domestic routes.

Domestic air services are vital to tourism and the Government needs to support the domestic aviation sector with investment and tax incentives, in the same way it will need to for other substantial tourism investments; these incentives are detailed in the Section Product development and Investment Facilitation.

A major issue for the tourism sector in 2014 was the dispute over air traffic rights between Fiji and the Solomon Islands; the dispute has cost the Solomon Islands tourism industry a substantial amount of lost revenue and has only recently been resolved. . The Solomon Islands Government needs to consider the best interest of the broader tourism sector when negotiating and allocating passenger rights. An open skies policy is to be encouraged along with competition on both international and domestic routes, in order to improve services and reduce the costs to passengers through efficiencies and competition.

Road Infrastructure

The Solomon Islands has an extensive road network and maintenance is a key issue in most Provinces. The National Infrastructure Investment Plan (NIIP) identifies that Government's priority for roads will be maintenance of the existing assets.

Both national and provincial roads planning and maintenance needs to consider tourism benefits in programming and prioritising work. Access to key attractions is critical if local areas are to maintain an attractive tourism product. The proposed Provincial Tourism Plans would identify road priorities for tourism at a Provincial level.

Marine Infrastructure and Services

The maritime sector has a key role to play in supporting tourism, both in terms of supporting marine based tourism such as cruise shipping, yachting and live-aboard diving, but also in terms of providing access to areas which are not serviced domestic air services.

Priority project listed under the NIIP include:

- Honiara Port remedial Works
- Honiara Port Extension
- Replacement and new wharves

Increasing the berthing capacity of Honiara main wharf for larger cruise ships is vital to the development of this sector. Currently the wharf can accommodate vessels up to approximately 250 – 300 metres. There is a requirement to build extension buoys (dolphins) to accommodate larger vessels; JICA is facilitating improvements to the main wharf at an estimated cost of US$ 26.5 million and these improvements need to be included.

The Solomon Islands Ports Authority is all developing temporary cruise passenger terminal at the main wharf. There is also the possibility to develop a hotel and mixed use/retail facility at the wharf; this would be a useful addition to the existing Honiara accommodation and an integrated retail centre should incorporate a dedicated handicraft area for cruise passengers as well as an amphitheatre for cultural performances.

The Florida Islands are well placed to further develop tourism but access is an issue; Government needs to encourage the regular operations of boat services to the Florida Islands to cater for tourism; incentives should be provided in terms of duty exemption on capital equipment and fuel to facilitate a regular service. This service could be established through a tender process which ensures that the vessels are high quality, safe, fully licenced and meet all international safety requirements and that minimum regular services are provided between Honiara and the Florida Islands.

Waste Management

Formal arrangements for waste collection are often not in place and the illegal dumping of waste continues to be a major problem. A combination of ongoing community environmental education, strong enforcement and the provision of adequate waste management facilities and services is required.

Waste management facilities need to be provided and recycling encouraged through education and government support. Basic facilities for waste management are required and systems of collection and recycling needs to be established on several islands, potentially through the establishment of waste management authorities or privately contracted services. Local initiatives need to be supported to involve communities in waste management initiatives, such as village clean up competitions.

Climate Change and Disaster Risk Management

Climate change and disaster risk management issues are becoming of increasing concern to Solomon Islanders; climate change adaptation measures need to be incorporated into the design of tourism facilities, as well as infrastructure.

Tourism related infrastructure is particularly vulnerable to natural disasters. The NIIP identifies priorities for infrastructure planning in relation to ‘Disaster Response and Infrastructure Planning’ and this program needs to be put into effect as part of the NIIP implementation process. Disaster response and management plans need to be developed for cruise ships in particular, due to the high volume of tourists (with an older age profile), within a relatively small geographic area which this market delivers.

Honiara Beautification and Facility Improvements

Honiara is both the gateway for air and cruise ship passengers; proposed improvements to the main wharf and Hendersen Airport will improve the visitor experience, but a concerted effort needs to be made to improve the appearance of the town. The creation of a Honiara Tourist Precinct would assist in providing a safe, clean and enjoyable environment for visitors. Such a Precinct would be particularly beneficial for cruise ship passengers who concentrate in the area around the main wharf; the Tourism Precinct could include clean streets and an improved market area, thematically painted buildings, landscaping and an increased police presence on cruise ship days. A more detailed Tourism Precinct Plan should be developed by the Town Council and upgrades undertaken over a number of years, with the assistance of national government, donors and the local community.

Medical facilities in the Solomon Islands are also inadequate and act as a deterrent to tourism. Upgrading of facilities, initially in Honiara is required, particularly if greater numbers of cruise passengers are to be attracted. The longer term conversion of the medical facilities established under RAMSI should also be considered as an option to cater for tourist needs.

ICT and Telecommunications

In terms of telecommunications infrastructure, Our Telekom and B-mobile continues to expand their network coverage nationwide but also the capabilities of their networks to accommodate voice and data transmission, which enables internet access in remote areas through GMS, 3G and GPRS. The targets set for telecommunication infrastructure investment include 90 percent of Solomon Islands population to have access to mobile communication by 2015, the remaining 10 percent to have access by 2020, and 20 percent of urban and rural population to have internet access by 3G and 4 G mobile network by 2015.

Fast reliable internet connection is a critical area for tourism operators as on-line marketing and product distribution is vital in the current tourism marketplace. The fibre-optic cable project is set to increase and enhance internet access to an additional 30 percent of the population (particularly in urban centers) by 2015. The submarine fibre-optic cabling system (SCS) is being supported by ADB. SI will be linked to SCS via cables running through Guam and Sydney and will connect directly into Guadalcanal, Malaita and Western Provinces. Ongoing reforms in the ICT sector are aimed at increasing competition, strengthening regulatory capacity of SIG and expanding rural access to communications service.

Provincial Tourism Plans

Well-conceived, relatively minor infrastructure upgrades can have a significant impact in terms of the development of the tourism product offering. For example, signage and access roads to key sites are vital to facilitate visitor flows and the upgrading and expansion of mooring facilities can further enhance and distribute the benefits of yacht visitation.

The prioritisation of these minor tourism related infrastructure needs is not currently undertaken as infrastructure planning generally focuses on the larger infrastructure projects such as roads, ports, airports and utilities. One mechanism for the further identification and documentation would be to incorporate them into Provincial Tourism Development Plans. These plans could also identify priority zones and sites for tourism development, including scale and facility type for incorporation into the Provincial Land Use Plans. The Western

Province Government is already moving in this direction by identifying sites suitable for tourism development with a view to attracting investment; an initial pilot Plan could be developed for Western Province which has already commenced initiatives to attract investment.

TRANSPORT AND INFRASTRUCTURE - KEY RECOMMENDATIONS

Short Term Priorities

1. Improve Henderson airport facilities through runway resealing and terminal upgrading.
2. Complete the upgrading of Munda Airport to provide an emergency alternate runway.
3. Upgrade Seghe to accommodate Dash Eight services and facilitate the Western Province Tourism Trails project with air services linking Munda, Gizo and Seghe.
4. Resolve land owner issues on Malaita and the Reef Islands to facilitate the recommencement of air services.
5. Establish an SOE to manage Henderson Airport and improve airport facilities and maintenance.
6. Facilitate reduce domestic air fares for holiday travellers through a discounted domestic flight pass as well as reductions on sectors associated with international inbound travel when booked in conjunction with accommodation in the Provinces.
7. Conduct an independent review of Solomon Airlines domestic and international services to ensure:
    a. All routes operate on a commercial (ie without cross subsidy) basis
    b. CSOs are clearly defined and costed and these routes are subsidised by the Government through a tender process
8. Develop targets for holiday passenger traffic for Solomon Airlines and incorporate into the Corporate Planning/organisational targets as well as into performance targets of senior management.
9. Introduce the tax incentives for Aviation and Marine tourism operators (outlined in the Section on Product development and Investment)
10. Proceed design and implementation of Honiara main wharf upgrading under JICA funding including extension of wharf capacity through bollard extensions.
11. Continue with the implementation of the medium term infrastructure priorities established through the NIIP including in the areas of:
    a. Aviation transport infrastructure
    b. Marine transport services and infrastructure
    c. Roads infrastructure
    d. Waste management infrastructure and services
    e. Energy sector infrastructure and services
    f. Water sector infrastructure and services
    g. IT and telecommunications infrastructure and services.

Medium Term Priorities

1. Proceed with the fibre optic cable project to improve internet speeds and coverage and implement on-going reforms in ICT sector to intend services in rural areas and increase competition.
2. Redevelop main wharf facilities through PPP to include hotel and mixed use retail, handicraft area and cultural performance amphitheatre aimed at tourists and cruise ship passengers.
3. Create a Tourism Precinct in Honiara, including street cleaning, landscaping, thematic painting and increased police presence.
4. Upgrade Suavanao runway to accommodate Dash Eight services.
5. Prepare a business plan for Solomon Airlines to develop an inbound operation.
6. Improve environmental waste management through community education and facility development and waste management services.
7. Ensure Disaster Risk Management and climate change implications are fully considered in the development of industry standards and building codes.
8. Prepare a model Provincial Tourism Plan for Western province, to highlight development and investment opportunities and minor infrastructure and attraction upgrades.

CRUISE SHIPPING AND YACHTING

To support the expansion of sustainable cruise shipping and yachting sectors

Background

The global cruise industry is worth an estimated US$ 34 billion and will carry more than 21 million passengers in 2014. As a region, the Pacific has exhibited strong growth in cruise passenger numbers over the last five years; growth has been largely concentrated in the major developed cruise ship destinations however, including Vanuatu and New Caledonia. The Pacific still accounts for only 2 percent of global cruise ship passengers however.

The main driver of growth has been strong demand for cruises from Australia and increased deployment of cruise vessels in Sydney and Brisbane undertaking short duration South Pacific cruises.

The Solomon Islands receives a low number of cruise ship visits compared to the neighbouring countries of PNG and Vanuatu. Approximately 17 cruise ships will visit 20 destinations in the Solomon Islands from June 2014 to December 2015, bringing in almost 10,000 passengers. The economic contribution of cruise shipping to the Solomon Islands is currently unknown, due to data limitation on visitors spend and visitation.

Vanuatu in particular has substantial advantages in terms of geographic proximity to the major source markets of Australia and New Zealand. The larger cruise ship operator itineraries are primarily driven by logistics and the requirement to offer a number of ports of call with different features within a set cruising distances, which minimises fuel costs and maximises the passenger time in port. The majority of the South Pacific market is based on five, seven and ten day cruises from Australia and New Zealand undertaken by larger size cruise ships and operated by Carnival and Royal Caribbean Cruises.

Papua New Guinea has recently been developing as a cruise destination from Australia; in 2014 Carnival Australia are undertaking five round trip itineraries to a number of destinations in PNG, including Madang, the Trobiand Islands, Doini Island and Rabaul. There is some potential to expand the current offering in future years to include ports in the Solomon Islands.

Cruise Tourism Policy

The Government has developed a (draft) Cruise Tourism Policy which has the following objectives:

- Increase the number of cruise ship calls and passenger arrivals in a sustainable manner
- Optimise the revenues generated from cruise passenger's expenditure
- Increase the overall benefits from cruise tourism by creating and strengthening inter-sector linkages, whereby cruise lines source needed supplies of goods and services from local Solomon Islands registered suppliers
- Expand the absorptive capacity of the country by developing the required facilities, infrastructure, attractions, amenities, activities and events which will entice cruise ships to the country to improve the tourism product which will endow with an experience unexpected
- Explore and develop other potential ports and suitable anchoring sites on the Islands of Solomon with a view to making additional cruise ship calls to other areas of the country
- Improve the economy of remote communities
- Develop and implement appropriate promotional and marketing programs that will increase the number of cruise ship arrivals and effectively convert cruise passengers to long stay visitors

The Policy also establishes a broad range of policies and recommended action points. There is a need to finalise and formalise the Policy.

Supply Side Trends

The cruise ship market is regional in nature, rather than solely focussed on the Solomon Islands. The EU funded Pacific Tourism Strategy (SPTO 2014) provides a useful analysis of the regional cruise shipping market and the opportunities and constraints which exist to the further development of this sector in the Pacific region. In addition the SIVB commissioned a Report[13] by Nautic Consulting (Australia) to assess the constraints and potential development opportunities for cruise tourism development in the Solomon Islands. The

[13] Nautic Consulting – Solomon Islands Cruise Tourism development – Phase One – Cruise Assessment – May 2014

issues and recommendations outlined below draw on the findings of these two Reports and other feedback from provided through the stakeholder consultation and research for the SINTDS.

There are various ways of segmenting the cruise ship market; one method is to segment based on ship type and size. The major cruise lines in the Pacific operate ships of at least 1,500 passengers and a length exceeding 240 metres. Less common in the Pacific are medium sized vessels which typically carry up to 700 passengers; these usually only visit the Pacific in the southern Pacific summer/spring. Expedition cruise ships are usually for around 100 passengers.

In the mainstream cruise market the trend is towards larger ships which provide better economy of operation. There is also some evidence of longer cruises being offered (P&O has announced an 18 day cruise in their 2015/16 program and PNG is now on the itinerary for Carnival cruises of 12 and 13 nights from Sydney. The growth in longer cruises will be supported by the growing number of 'baby boomers' who are now reaching retirement age.

There are also a number of smaller boutique and expeditionary cruise operators who operate in the region with smaller vessels and reduced but high yielding passenger numbers. These smaller vessels of around 100 guests can access remote locations with limited shore infrastructure. Operators include Silversea, Silversea Expeditions, Hapag Lloyd, Lindblad Expeditions, Seabourn, Compagne du Ponant and Paul Gaugin.

Both yachting and the super yacht sector are important segments, where the Solomon Islands can offer competitive advantage over other Pacific countries in terms of remoteness and natural beauty. The latter segment in particular has been growing in importance in recent years in the Pacific and provides a particularly high yielding and attractive segment. Development of both segments is being impeded by negative interaction with local communities who are increasingly demanding high fees for moorings and access to natural sights. In addition government charges for yachts and super yachts are making the Solomon Islands uncompetitive to these markets. There is a need for DoT to support community awareness on the benefits and costs that tourism brings and ensure that charges are reasonable and that moorings for yachts are secure.

The Solomon Islands has a strong competitive advantage to the expeditionary market segment as it can offer strong cultural and environmental uniqueness and immersion experiences lost in many other parts of the world. Solomon Islands can offer a large number of island destinations within relatively short overnight cruising distances; currently cruise ships call at Honiara, Santa Ana, Lumalihe Island, Marovo Lagoon, Kennedy Island, Tugali, Tikopia Islands, Utupua Island, Taro Island, Auki and Langa Langa Lagoon.

The Solomon Islands will not be able to develop to the level of cruise ship visitation experienced by Vanuatu or New Caledonia, due to the proximity of these countries to the major markets of Australia and New Zealand. However **the example of PNG demonstrates that growth can be achieved in the medium term from the larger operators based in Australia and other opportunities exist for the development of boutique expeditionary cruises**.

Development Constraints

Whilst opportunities exist to further develop cruise shipping there are a number of constraints which impede development. These impediments include:

Shore Product

There are few inbound tour operators in the Solomon Islands and those that exist are small scale. This limits the options open to the cruise shipping companies for the organisation of on-shore products and tours, which in turn limits the appeal of the Solomon's as a potential destination and also the potential for cruise companies to generate revenue from the sale of land tours. For larger cruise ships there is a shortage if suitable transportation, tour guides and tours. The physical environment and infrastructure in and around Honiara also needs improvement to facilitate visitor dispersal and improve the level of destinational appeal.

Border Processes

The current system of immigration clearance and border processes is prohibitively expensive and inconvenient for cruise ship operators (particularly for the smaller boutique vessels with limited cabin space). Pre-border clearance by Customs and Immigration is expensive for cruise ship operators who have to pay the cost of flying customs, immigration and quarantine officers to the prior port of call. This expense impacts upon the cost of operation and potential profitability for the operator. PNG has recently amended their processes to facilitate clearance upon arrival by cruise ships.

The smooth and efficient processing of entry and exit requirements for cruise passengers and super yacht visitors and crew in particular, is an essential service and one which needs to be improved. A dedicated point of contact within Immigration and Customs to service super yachts would initially assist with processing of tourists and crew associated with this market.

Infrastructure

Honiara wharf is the largest available for cruise ship operators; the wharf however is unsuitable for most modern cruise ships, the majority of which are over 300 metres in length. Large cruise ships prefer to tie up alongside the wharf rather than tender passengers to shore, which is weather dependent, riskier and more expensive.

The Japanese International Cooperation Agency (JICA) is funding the upgrade of Honiara wharf which will increase the capacity to cater for larger vessels.

The ADB is currently funding a program to support the development of the Solomon Islands

Maritime Association that will focus on hydrography, navigation and general compliance to international maritime practices.

Shore Services

Service providers in the Solomon Islands require training to raise the level of financial compliance to levels which is acceptable to cruise lines; this is particularly the case with local communities.

Destination Management

There is a need for better destinational management; both from the perspective of improved communications and liaison with outer island ports of call as well as further development of tourism products that can be packaged and sold on board the cruise ships. Local communities need education on the opportunities which cruise ship passengers can bring and support to facilitate greater local expenditure on local products and tours.

Regional Cooperation

It is important for the Solomon Islands to work in conjunction with other countries to offer enticing itineraries with uniform cross border processes that reduce the cost of cruise operations.

Membership of cruise associations can assist and suitable associations include Cruise Lines International Association (CLIA), Micronesia Cruise Association (MCA) and South Pacific Cruise Alliance (SPCA).

Hydrography

Cruise lines rely on up to date hydrographic surveys. No large cruise ship can approach any island or land mass where reefs and depths are uncharted. Hydrography projects are critical where charts are inadequate and this is the case for much of the Solomon Islands.

Cruise shipping, yachting and the super yacht segments are important markets for the Solomon Islands. The latter segment has been growing in the Pacific and in particular offers a high yielding marine based segment which can bring significant economic benefits to the Solomon Islands. Greater efforts need to be made to further support both of these important marine based segments.

CRUISE SHIPPING AND YACHTING - KEY RECOMMENDATIONS

Short Term Priorities

1. Establish a National Cruise Ship Working Group to oversee the implementation of the SINTDS recommendations.
2. Develop a cruise shipping database of all operator contact details, product classifications and requirements.
3. Regularly update operators on product and infrastructure developments through an ongoing Cruise Ship Operator Communications Programme.

4. Develop a portfolio of tours and cultural experiences by Province as a marketing tool to assist cruise companies with their itinerary development.
5. Review and implement changes to clear cruise ships on arrival without the necessity for officials to travel on board.
6. Establish a single key point of contact for cruise lines with DoT (at Director level).
7. Finalise and formalise the Cruise Ship Tourism Policy.

Medium Term Priorities

1. Undertake a review of all cruise destinations in the Solomon Islands to assess landing facilities and provide information to cruise lines. Incorporate required facility upgrades into the National Infrastructure Planning process.
2. Work with remote communities to support awareness and facilitate cruise ship calls including negotiation over fees and payments, opportunities for enhancing economic impact through local sales of tours and handicrafts and education on positive/negative aspects of tourism
3. Conduct an Economic Impact Analysis of cruise shipping study including a survey of cruise passengers.
4. Develop relationships with neighbouring countries to facilitate the development of uniform systems and processes for cruise ships and explore potential for new itineraries with PNG, Vanuatu and FSM.

6. Tourism Sector Coordination and Management

Tourism Sector Management

The development of this SINTDS is recognition by stakeholders that a more coordinated and prioritised approach is required to support tourism sector development. **The level to which implementation of the SINTDS is adequately coordinated and resourced, will however, ultimately determine the success of this new approach.**

Tourism is a multifaceted sector with a complex value chain involving a wide range of stakeholders. The tourism product is multifaceted, as the tourism product is essentially experience based, involving a range of services such as accommodation and transport, but also impressions created through interaction with the local community and the host environment. Delivery of the product therefore requires a high degree of coordination and adequate resourcing. This has in the past been lacking in the Solomon Islands where tourism development has often been characterised by a number of short term and ad-hoc initiatives and inadequate prioritisation and resourcing.

Destinations which have been successful in developing tourism as a substantial and sustainable industry have developed a prioritised and planned approach which is supported by a *'Whole of Nation Approach'* to development and adequately resourced by government and donor partners. This requires every stakeholder to understand their role and play their part; this is not easy to achieve, but is fundamental to successful development. In the past there has been a lack of leadership and commitment to tourism development from the Government and development partners.

The development of the SINTDS is seen as the beginning of the process to take a more coordinated approach to sector development. Addressing and resourcing the identified priorities through a coordinated public/private and whole of government approach will determine the success of the Strategy. The previous Solomon Islands Tourism Task Force Action Plan (2011 – 15) primarily failed to deliver results due to inadequate government commitment and resourcing; the recommended actions were simply not resourced and implemented as priorities by the Government of the day.

There is a strong view that there is a real need for leadership at Prime Ministerial level to drive change, coordinate Cabinet decisions and implement the priorities identified within the SINTDS (and to ensure that a 'whole of nation' approach is undertaken to sector development). Political commitment is widely considered to be a prerequisite to successful tourism development.

In order to facilitate a more coordinated and prioritised approach to the development of the tourism sector, **three interrelated and complementary institutional structures need to be established and resourced**. The relationship and core function of each of the coordinating groups is summarised in the diagram below and outlined in more detail as follows:

Tourism Sector Taskforce (TST)

A Tourism Sector Taskforce needs to be established as a Public Private body under the Chairmanship of the Prime Minister, to oversee the implementation of the SINTDS recommendations. The Minister for Tourism should be the Deputy Chair of the Taskforce and the Department of Tourism should provide secretariat services through a newly established 'Tourism Sector Coordination Unit'.

Additional members of the Taskforce should be the Minister for Infrastructure, the PS Prime Minister's Office, the PS Ministry of Culture and Tourism, the PS Ministry of Finance, PS Development Planning Office and four additional private sector members, one from the Chamber of Commerce, one from representative of the larger hotels, one representative of the cruise shipping companies and one representative of the dive sector.

The Taskforce should meet every three months to discuss progress on the SINTDS recommendations. For each SINTDS recommendation the designated agency should be charged with providing a quarterly update on progress to the Taskforce.

A review of the SINTDS priorities and recommendations should be undertaken by the DoT every six months and a report provided through the Tourism Taskforce to Cabinet.

SINTDS– Technical Working Group (TWG)

A SINTDS Technical Working Group will be established to ensure coordination and technical support and input into the recommendations. The role of the TWG is to focus on the implementation and coordination of the identified recommendations.

The TWG should meet every month and be chaired by the PS MoCT with the Tourism Sector Coordination Unit providing Secretariat support. The members of the TWG will be required to report at the Chair at the Tourism Sector Taskforce meetings on achievements and progress against the Implementation Plans. Members of the group will primarily be drawn from the lead agencies and organisations with responsibility for implementing the SINTDS.

Tourism Sector Coordination Unit (TSCU) – Department of Tourism

To improve the coordination of the tourism sector development and support the implementation of the SINTDS across all stakeholders, a Tourism Sector Coordination Unit will be established within the Department of Tourism (as outlined in Institutional Roles and Capacity Building Section below).

Institutional Roles and Capacity Building

The Ministry of Culture and Tourism has responsibility for oversight of the SINTDS implementation. Both the DoT and SIVB have major roles to play in leading the implementation of the SINTDS.

The SIVB Act provides for the destinational marketing role to be undertaken by the SIVB, with the policy coordination, regulatory and licensing roles sitting within the DoT. DoT also has a role in areas industry standards, product development, tourism investment, HRD coordination and tourism planning. SIVB has responsibility for coordination of statistics (with NSO) and market research.

The DoT will be conducting a review of functionality and structure under the EIF project; the review needs to fully consider the implications in terms of institutional arrangements and functionality outlined in the SINTDS.

Both institutions have capacity and staffing limitations which limit their ability to fulfil their mandates. Institutional capacity building programs need to be undertaken within both agencies and donor support should be sought to assist with this.

A summary of the required core functionality and capacity requirement to support tourism development is outlined below together with the lead agency/organisation responsibility:

Lead Agency	Core Functional Area	Capacity Requirement
Ministry of Culture and Tourism	**Policy and Planning**	National tourism sector policy framework (SINTDS) development
	Destinational Marketing	Monitoring of SIVB effectiveness
Department of Tourism	**Policy and Planning**	Coordination of SINTDS implementation, PPP dialogue management, inter agency/stakeholder coordination and donor partner liaison
		Provincial tourism planning and provincial sector development coordination
	Tourism Investment	Tourism Investment Strategy development and implementation
		Investment facilitation; landowner head lease negotiation and site packaging, opportunity/site profiling
		Investment promotion and attraction; identification and targeting of potential investors
		Investment incentives; definition and management
		Landowner and investor mediation through extension services
	Product Development	Development funds management; soft loans/grants administration in conjunction with Development Bank for product development or disaster recovery
		Basic advice and coordination of third party product development advice through extension services
		Development of Tourism Trails including attractions development and contracting of operator training and business support.
	Industry Standards and Regulation	Establishment of industry standards and grading system for accommodation and extension of standards program into key sectors including tour operators
		Establishment of industry regulations and compliance monitoring
	Business Licensing	Issuance of Business Licences and monitoring of compliance
	Human Resource Development	Tourism industry training needs analysis and industry workforce planning.
		Monitoring and forecasting of workforce requirements
		Implementing awareness campaigns on the value and opportunities provided by tourism to the local community

		Annual tourism workplace training calendar design and management of contractors
	Research and Statistics	Economic impact analysis of tourism; foreign exchange, value added and GDP contribution
		Collection of key industry performance data including accommodation occupancy data, rooms capacity, employment levels and investment levels
SIVB	**Marketing**	Development, management and coordination of Destinational Tourism Marketing Strategy and Annual Plans
	Product Development	Promotion and management of tourism special events and development of Tourism Trails
	Market Intelligence	Tourism market research and visitor survey management
		Compilation and analysis of visitor statistics obtained from visitor arrivals and departures cards
	Product Distribution	On line distribution and booking mechanism to support market access for small, remote operators
SBEC	**Product Development**	Business and market advice and assistance, business training and mentoring.

The core roles can therefore be summarised as:

The Department of Tourism - The Department of Tourism is the lead agency responsible for the development of policy for the tourism sector, the issuance of licences, the monitoring of accommodation standards, the monitoring of SIVB effectiveness on destinational marketing, the coordination of the sector and the facilitation of investment opportunities.

Recommendations to facilitate the required functionality to support tourism sector development, including the implementation of the SINTDS, are made in the next section under '*Sector Prioritisation and Coordination*'.

In order to fulfil the functionality outlined above and to support the implementation of the SINTDS, a new Tourism Sector Coordination Unit (TSCU) is proposed to be established within DoT. The proposed functionality and structure of this new TSCU are outlined below:

TSCU Function	Activities
Immediate – High Priority	
External Coordination of SINTDS	Secretariat services to TST Liaison with TST and TWG members Six Monthly Progress Report to TST SINTDS communications strategy
Sector Performance Monitoring	Monitoring and Reporting on Sector Goals Review of the SIVB Performance
Internal Coordination of SINTDS	Liaison with MoCT PS and Ministry Divisional heads Design and contracting of studies, initiatives to support SINTDS recommendations

Sector Statistics and Research Coordination	Annual Economic Impact Study Industry performance data (ie occupancy)
Provincial Officer Liaison	SINTDS liaison Industry association liaison
Longer Term – Medium Priority	
Investment	Investment site packaging, promotion and facilitation of major investments

The TSCU will be headed by a Director of Tourism and who will report directly to the PS of MoCT. The DoT will be supported by the Senior Tourism Development Officers and other staff.

Solomon Islands Visitors Bureau – The SIVB is the statutory authority established under the SIVB Act, responsible for the design and implementation of the destinational marketing of the Solomon Islands with the aim of increasing the awareness of the Solomon's' destinational image and tourism products in key source markets. The SIVB will establish a clear and effective Marketing Strategy and Annual Plans and manage the delivery and achieve specific marketing outputs. SIVB also have a key role to play in supporting on line product distribution and bookings.

Solomon Islands Business Enterprise Centre (SBEC) – SBEC has the lead role in the provision of business support services and workplace training.

The identified functionality needs to be adequately resourced, which will require a greater financial commitment from Government to ensure the required functions are established and capacity developed to support the enabling environment required for development. This could be achieved through a long term Tourism Development Capacity Building Program delivered through MoCT. Further design work on this Program should be undertaken as part of the implementation of this SINTDS(subject to donor interest).

Coordination across the private sector also needs to be strengthened. The tourism industry associations within the Solomon Islands have been inactive and under resourced. This has resulted in a lack of coordination, inadequate industry leadership and a failure to provide a united voice to government on key issues which impact on the industry. This has been detrimental to the development of the sector. The industry needs to work together through the industry associations at a national and provincial level. The starting point would be to establish a National Tourism Association as a united peak industry body which would have a key role in engaging with government at a number of levels to resolve key issues and promote a partnership approach to development.

In addition to the core tourism development functions of these three key agencies, a wide range of public, private and community stakeholders have a fundamental role to play in supporting aspects of the SINTDS and the ongoing development of tourism; the respective stakeholder roles and responsibilities are identified below:

Government

Ministry of Finance and Ministry of Development Planning – establishes the national development policy through the National Development Strategy, corporate planning and the provision of funds for tourism related activities through agency budgets. The Ministry also sets the macro level framework for investment in priority sectors including the tourism sector, work in conjunction with the relevant Ministries to set incentives for investment.

Ministry of Provincial Government - Provincial Government have a key role to play in supporting tourism development by coordinating, waste management, facilitating land use and investment, community awareness and engagement.

Department of Immigration, Ministry of Commerce - The Department impact**s** through the determination of visas and arrivals process for tourists and investors and passenger processing; provide the frontline and first impressions and also set fees and fines for visas and breaches by visitors. Also works together with the MoCT to process applications by investors and administering the conditions of visas and permits for investors.

Ministry of Agriculture, Ministry of Fisheries and Ministry of Forests - Fisheries impacts through its role in the protection of marine animals and regulation of game fishing operations. Forestry Department encourages sustainable management which can include the conservation of native fauna and flora which can be the basis of ecotourism products. Also provides extension services to help farmers to promote local food products as potential suppliers to hotels and restaurants. Quarantine clearances impact on cruise passenger and air visitor arrivals.

Ministry of Lands and Ministry of Environment – through the development and enforcement of environmental regulations including those relating to environmental impact assessment of development and through the management of National Parks and forests and tourist trails and tracks, which are key assets which attract tourists; also allocates land, facilitates title transfer and maintains register of all titles and influences where tourism development can be located.

Department of Health – Through the management and collection of waste and sanitation, as well as management of health regulations for business operations, including inspection of tourist facilities and services to comply with hygiene and health standards, licensing of tourism services such as restaurants.

Internal Revenue Department – the Department of Revenue is responsible for the establishment of incentives to facilitate investment in the tourism sector as well as the setting of some government charges.

Ministry of Police – by maintaining safety and security and protecting visitors the police have a fundamental role to play in supporting tourism.

The Ministry of Education – The Ministry is responsible for setting education policy, including the recently added responsibility for technical and Vocational training. The Department of Education reviews the primary and secondary school's curriculum and including tourism content and establishes training priorities.

Ministry of Infrastructure Development, Ministry of Civil Aviation and Communications – through the setting of aviation policy, the management of air operator licences and the oversight of air safety regulations, Civil Aviation have a key role in supporting visitor air transport and in negotiation bi-lateral international air services agreements. In addition through the management and maintenance of the international and domestic air infrastructure and the setting of airport fees, CAD have a key role in the tourism sector.

Solomon Islands Ports Authority – through the management and maintenance of the sea transport infrastructure and facilitation of coordination of the cruise ship visits as well as the setting of wharf facility fees and charges.

<u>Private Sector</u>

Private Sector – Directly Related Tourism Businesses – Individual tourism operators provide employment and income through investment in individual tourism products including accommodation, restaurants, tour operators, inbound tour operators, handicrafts, attractions, entertainment, taxis, transport and marine operations such as diving, fishing, yachting and surfing.

Private Sector – Indirectly Related Tourism Businesses– Individuals and informal and informal businesses benefit from tourism at various levels of impact by supplying goods and services to tourism operators and tourists; services include foreign exchange, utilities, food production, fish and seafood, mechanical services, accountants, legal services and banks.

Private Sector – Tourism Industry Associations – private sector industry associations have a facilitative role to play in providing a forum for industry operators, representing a single voice for the tourism industry and lobbying government. Industry associations also generally provide a range of membership services including information and business support services. Industry associations can become a focal point for government and donor support programs including training. The Western Province Tourism Association is an example of an active peak industry body at a Provincial level in the Solomon Islands providing a forum for discussion, coordination and lobbying.

Solomon Islands Chamber of Commerce and Industries – the SICCI is the main private sector peak body; due to the broad involvement of all businesses either directly or indirectly in tourism, the Chamber represents all sectors involved directly and indirectly in tourism.

<u>Other stakeholders</u>

Local Communities - Local communities have a key role in tourism at several levels; firstly they should be the beneficiaries from tourism through increased income and jobs generated directly and indirectly from tourism activities. Direct benefit may come in the form of income and/or employment from a tourism business or sales of handicraft products or provision of transport to tourists; indirect benefit may come from sales of food products to tourism operators or income from the lease of land. Communities also take care of tourism sites and cultural artefacts, keep tourists safe and provide support through clean-up activities and conservation measures.

NGOs – NGOs play a key role in working with different stakeholders to support sustainable tourism development and income generating opportunities. For example, WWF and Conservation International have worked on nature based tourism.

The Churches - The Churches and its members are influential in society in the Solomon Islands and have a high degree of influence in all social and religious issues.

Training Providers – Church-based and government-funded vocational training institutions providing skill based tourism and hospitality training and refresher training for industry employees and working together with the industry to set training curriculum for training for the industry.

Donors and Development Partners – provide support for sustainable tourism initiatives which meet development outcomes. The EIF is currently the major donor support programme for tourism.

Overseas Travel Industry – Wholesalers and Travel Agents – tourism operators rely on overseas travel agents and wholesalers, as well as internet based distributors to promote and distribute their individual products.

Tourists/Consumers – tourists need to be attracted from their home country to travel to the Solomon Islands; the country competes with many other destinations seeking to capture tourist expenditure. Tourists are defined as anyone staying for at least one night, who is not resident in the Solomon Islands and they can travel for holiday, to visit friends and relatives, for business, conferences or other purposes including sports and special events. However their stay in the Solomon Islands must be less than 12 months (to be classified as tourists).

Each of these stakeholders has a role in the implementation of the SINTDS. The lead role for each recommendation is identified in the SINTDS Implementation Program, although many stakeholders will play an important supporting role.

Tourism is cross-sectoral with linkages across the broader economy; most sectors, including primary production and broader service activities, have the potential for growth through the development of tourism, either directly or indirectly. The role of the Chamber of Commerce is therefore central to development by in providing a coordinated approach from the private sector, as well as supporting other industry based associations with a narrower membership base. The SCCI broadly represent the private sector in terms of PPP dialogue and policy development, but also has a substantial role to play in terms of coordinating business support services and training through SBEC. Further efforts need to be made to support the Chamber as the peak private sector organisation at a national level and to support the efforts to develop a National Tourism Industry Association and for Provincial Tourism Associations to provide relevant membership services to their members.

TOURISM SECTOR MANAGEMENT - KEY RECOMMENDATIONS

Short Term Priorities

1. Resource the SINTDS short term recommendations as outlined in the Implementation program (Section Six).
2. Establish the Tourism Sector Taskforce as a Public Private body under the Chairmanship of the Prime Minister to oversee the implementation of the SINTDS recommendations.
3. Establish the SINTDS Technical Working Group to facilitate the auctioning of the SINTDS recommendations.
4. Establish the Tourism Sector Coordination Unit (as outlined) to coordinate:
    a. Six monthly SINTDS Progress Reports
    b. Monthly TWG meetings
    c. Quarterly TTF meetings
5. Hold a SINTDS Donor Forum to mobilise additional partner support for implementation

Medium Term Priorities

1. Develop and implement a programme of institutional capacity building aimed at strengthening the role and performance of the DoT and SIVB
2. Resource and expand the role of SBEC to deliver workplace based training, product development and business support services, (as outlined under the Sections Product Development/Investment and HRD)
3. Support the capacity building of a National Tourism Industry Association in membership services delivery and support
4. Conduct an independent evaluation of the progress of the SINTDS annually, to assist with prioritisation and monitoring.

7. SINTDS Implementation Program

SINTDS Action Plans

The key component of the SINTDS is the Implementation Program which is presented in this Section. Action Plans have been developed based on the recommendations identified through the SINTDS development process and outlined in Section Five. These action plans summarise the implementation program for the SINTDS initial five-year period.

The Action Plans identify:

- The priority SINTDS recommendation for implementation as follows:
    - Short Term Priority – within the next two years
    - Medium Term Priority – within the next three to five years
- The key initiative and follow up actions required;
- The stakeholders with responsibility for implementation;
- The budget required; and
- The timeframe for commencement.

There will be a need to revise these plans six monthly to reflect progress in implementation as well as new priorities, which have arisen. The Tourism Task Force should review progress on implementation of the Action Plans at their meetings.

SINTDS Budget Estimates

In order to implement the recommendations of the SINTDS an increase in resourcing is required. This requires a level of commitment from the Government to grow the sector. Equally though the SINTDS is a partnership between the public sector, private sector and donors who each have their own role to play in supporting implementation.

The budget estimates have been developed for the five year period of implementation, commencing in the first quarter of 2015. The budget estimates are illustrated below for each focal area by anticipated year of expenditure**. The total budget over the five year period required for implementation is SI$ 105 million**[14]. A further breakdown of these budget estimates is provided in the Action Plans which are presented below.

SINTDS– Five Year Budget Requirements

SINTDS Implementation Programme (SI$ 000s)	***Year One 2015/16***	***Year Two 2016/17***	***Year Three 2017/18***	***Year Four 2018/19***	***Year Five 2019/20***
SINTDS Sector Management	1,515	1,515	3,895	3,895	3,895
SINTDS Focal Area					
Marketing and Research	10,650	10,500	10,500	10,500	10,500
Product Development and Investment	3,150	3,000	6,250	6,350	6,000
Transport and Infrastructure [15]	3,000	3,000		3,000	
Human Resource Development[16]			400	400	400
Cruise Ship and Yacht Development			1,800	800	800
TOTAL	18,315	18,015	22,845	24,745	21,396

[14] See footnotes on cost estimates for Draft SINTDS below

[15] Infrastructure costings for some activities are to be confirmed as outlined in Implementation Plan and have not all been included in this Draft SINTDS

[16] Several HRD actions have not been included in the SINTDS budget as they are subject to further scoping and costing

Solomon Islands Government National Tourism Development Strategy– Implementation Program –Tourism Sector Coordination and Management

Strategy: Provide leadership and ensure national coordination and adequate resourcing to underpin the implementation of the SINTDS priorities				
Recommendation	**Key Actions**	**Responsibility**	**Indicative Budget (SI$)**	**By When**
SHORT TERM - RECOMMENDATIONS				
Resource the SINTDS short term recommendations as outlined in the Implementation program	• Prepare budget submission for five year implementation program as outlined in SINTDS	MoCT	Nil	March 2015
Establish the Tourism Sector Taskforce (TST) under the Chairmanship of the Prime Minister	• Develop TOR for TST and present for Cabinet endorsement • Establish meeting schedule and secretariat services	MoCT/PMs Office/DoT	500,000 per annum	April 2015
Establish the SINTDS Technical Working Group (TWG)	• Develop TOR for TWG and present for Cabinet endorsement • Hold monthly TWG meetings	MoCT/DoT	250,000 per annum	April 2015
Establish the Tourism Sector Coordination Unit within DoT	• Submit new structure to PSC for approval together with budget • Recruit and establish TSCU	MoCT	500,000 per annum	June 2015
Hold SINTDS Donor Forum	• Hold Annual Donor Forum	MoCT/Donors	15,000 per annum	June 2015
Review and revise structure of DoT based on functionality required to support the SINTDS	• Contract external review of functionality and structure including budgetary requirement	MoCT/EIF	Design 100,000	Sept 2015
MEDIUM TERM RECOMMENDATIONS				
Develop and implement a programme of institutional strengthening for Dot and SIVB	• Conduct review of institutional capacity and staff training needs and design support program for three	MoCT/EIF	Design 100,000 Implementation TBA	Jan 2016 for design/review

Strategy: Provide leadership and ensure national coordination and adequate resourcing to underpin the implementation of the SINTDS priorities				
Recommendation	**Key Actions**	**Responsibility**	**Indicative Budget (SI$)**	**By When**
	year period			
Expand the role of SBEC to deliver workplace training and business support services	• Review SBEC capacity and industry training needs • Develop capacity building program for SBEC to manage and deliver workplace training and business support for tourism operators	SBEC/Donor	2,000,000 pa	Jan 2017 onwards
Support the establishment of a National Tourism Industry Association	• Establish Working Committee to Draft Constitution and develop Business Plan • Implement Business Plan	Private Sector	700,000 pa	Jan 2017 onwards
Conduct an annual independent review of progress of the SINTDS	• Contract independent Review • Adjust implementation programme	DoT	75,000 per annum	June 2016 onwards

Solomon Islands Government National Tourism Development Strategy– Implementation Program – Marketing and Research

Strategy: **Increase the awareness of the Solomon Islands and demand and yield for tourism products**				
Recommendation	**Key Actions**	**Responsibility**	**Indicative Budget (SI$)**	**By When**
SHORT TERM - RECOMMENDATIONS				
Appropriate an Annual Budget for SIVB for destinational Marketing	• Budget submission prepared • Approval by Government	SIVB/Cabinet	7.5 million SI$ per annum	April 2015
Develop and implement a short term tourism marketing program for 2015	• Short term marketing program developed and funded	SIVB	As per Budget above	April 2015
Develop and implement a medium term Marketing Strategy and Business Plan for the SIVB	• Develop Marketing Strategy and Business Plan including - Destinational Marketing Program - Market Research Program - Internet Product Distribution Program	SIVB	Within annual budget	June 2015
Build the capacity of the SIVB through a capacity building program and long term/short term TA	• Program designed and approved by Government • Present for Donor funding	SIVB	1 million pa subject to design	June 2015
Review the SIVB Act to support sustainable funding base	• Contract independent review of Act • Revise Act based on Cabinet approved amendments	MoCT/SIVB	120,000	August 2015
Establish SIVB on line booking facility	• Develop Business Plan for online distribution program • Implement Business Plan	SIVB	2 million site development	March 2016
Develop and implement a Tourism Industry communications program and ensure close stakeholder liaison on key activities	• Quarterly stakeholder briefings • Monthly newsletter • Annual Tourism Marketing Forum	SIVB	Included In Annual Budget	Commencing June 2015 and ongoing

Strategy: **Increase the awareness of the Solomon Islands and demand and yield for tourism products**				
Recommendation	**Key Actions**	**Responsibility**	**Indicative Budget (SI$)**	**By When**
Monitor and evaluate marketing activity effectiveness	• Contract independent evaluation and review of Marketing	SIVB	Included in Annual Budget	November 2015 onwards
Establish coordinated external PR response to Crisis Management	• Establish public/private Tourism Crisis Action Group chaired by SIVB to manage external PR and information response	SIVB/private sector	Included in annual budget	Mar 2015

Tonga Tourism Roadmap – Implementation Program – Product Development and Investment

Strategy: **Support tourism products that enhance the Solomon Islands competitive positioning**				
Recommendation	**Key Actions**	**Responsibility**	**Indicative Budget (SI$)**	**By when**
SHORT TERM - RECOMMENDATIONS				
Develop integrated Tourism Trails for Western Province and Guadalcanal/Central Province	• Develop Trail Concept Plans and design Trails • Develop signage and branding (SIVB) • Collate product/transport information • Identify key products attractions for upgrading • Develop Trails internet micro site and promote (SIVB) • Provide on line booking support for Trails operators • Provide training to Trails operators	DoT/SIVB	1 million per Trail per annum	June 2015
Develop and implement system of minimum standards and grading for accommodation providers	• Design system of minimum standards and accommodation grading • Introduce as a voluntary system and provide training to operators	DoT/EIF	150,000 Design - EIF 1,000,000 SI$ pa	Design June 2015 Implement Jan 2016
Formalise and introduce the tourism	• Hold further discussion with	DoT/MoF/DoIR/	Within existing	Introduced by

Strategy: **Support tourism products that enhance the Solomon Islands competitive positioning**				
Recommendation	**Key Actions**	**Responsibility**	**Indicative Budget (SI$)**	**By when**
investment incentives outlined in the SINTDS	relevant government agencies • Develop paper for Cabinet submission and approval • Communicate new incentives broadly to industry and to potential investors	Treasury	budget	Jan 2016
Support an improved Business Enabling Environment by removing corruption from all elements of business environment	• Design and adopt stringent anticorruption policy and practices	SIG	Within existing budget	Apr 2015
MEDIUM TERM - RECOMMENDATIONS				
Design and implement an integrated support program for tourism operators (Integrated Tourism Product Development Program) as outlined.	• Design an integrated program as outlined below and contract SBEC to manage components 1, 3 and 4.	DoT	250,000 – design phase	Jan 2017
Component One - Market Access and Product Distribution	• Expand SBEC support services for individual operators in online marketing through training and mentoring (and SPTO online program)	SBEC/SPTO	1 million pa	Jan 2017
Component Two - Quality Standards	• Strengthen the tourism standards program by - Capacity building of assessors - Integration in to business licencing procedures and fees - Training for accommodation providers	DoT	1 million pa	Jan 2017
Component Three - Training and Business Support Services	• Expand SBEC workplace training programs and annual training calendar • Strengthen business support services	SBEC	1 million pa	Ongoing from March 2017

Strategy: **Support tourism products that enhance the Solomon Islands competitive positioning**				
Recommendation	**Key Actions**	**Responsibility**	**Indicative Budget (SI$)**	**By when**
	provided by SBEC through expansion of business mentoring and volunteers			
Component Four - Access to Finance	• Support access to finance through business support services and training	SBEC	Budgeted above	Ongoing March 2017
Review Tourism Trails Concept for expansion in Malaita and Isabel Provinces	• Evaluate two existing Trails • Evaluate potential for development of new Trails based on initial Evaluation • Design new Programme based on secondary Evaluation	DoT	Evaluation and Design 350,000 New Trails subject to design - TBA	Jan 2018
Develop broader Tourism Industry Accreditation Programme	• Design broader Accreditation Programme for Industry and implement	DoT	350,000 Design Implementation 1,000,000 pa	Jan 2018

Solomon Islands Government National Tourism Development Strategy– Implementation Program – Transport and Infrastructure

Strategy: Improve destination competitiveness through increased accessibility, infrastructure use and competitive, safe reliable transport				
Recommendation	**Key Actions**	**Responsibility**	**Indicative Budget (SI$)**	**By when**
SHORT TERM - RECOMMENDATIONS				
Establish an SOE to manage Henderson Airport and priority maintenance improvements	• Establish SOE • Further scope and undertake facility maintenance including runway resurfacing and terminal facility upgrades	CASSI/donor	To be determined	Dec 2015

Strategy: Improve destination competitiveness through increased accessibility, infrastructure use and competitive, safe reliable transport				
Recommendation	**Key Actions**	**Responsibility**	**Indicative Budget (SI$)**	**By when**
Complete the upgrading of Munda Airport as emergency alternate runway	• Finalise scope and upgrade requirements and secure funding • Tender and contract upgrade to specifications	CASSI/donor	Est SI$ 3 million	June 2015
Upgrade Seghe airport to Dash Eight level	• Finalise scoping requirements for upgrade • Tender and contract upgrade to specifications	CASSI/donor	Est SI$ 3 million	Dec 2015
Resolve land issues and recommence services to Malaita and Reef Islands	• Conduct landowner negotiations and dispute resolution process	CASSI/MoL	Within existing budget	June 2015
Introduce domestic air pass and Pacific Air Pass	• Finalise design, promote and distribute	Solomon Airlines	Within existing budget	June 2015
Conduct review of CSO and subsidisation on domestic and international routes	• Prepare ToR and appoint independent consultant for review	Solomon Airlines/	Consultant 200,000 CSO subsidy to be determined	June 2015
Develop targets for annual holiday passenger numbers for Solomon Airlines	• Incorporate targets into Solomon Airlines planning and marketing activities • Incorporate targets into	MoCT/Solomon Airlines	Within existing budget	June 2015
Introduce tax incentives for aviation and marine tourism operators	• As per broader Incentives above	IRD/MoF/MoCT/DoT	Within existing budget	July 2015
Proceed with design and upgrade of Honiara main wharf	• Finalise scope and design of upgrade • Proceed with contracting and works	SIPA/JICA	US$ 25.5 mn	Dec 2015
MEDIUM TERM – RECOMMENDATIONS				
Continue with the implementation of NIIP medium term infrastructure priorities	• As identified in NIIP	MoI	As per NIIP budget	Ongoing
Proceed with fibre optic cable upgrading and ICT sector reforms outlined in NIIP	• As defined in NIIP	ADB	As per NIIP budget	Ongoing
Redevelop Honiara main wharf facilities to	• Develop concept detailed design and	SIPA/Private Sector	To be confirmed	Jan 2017

Strategy: Improve destination competitiveness through increased accessibility, infrastructure use and competitive, safe reliable transport				
Recommendation	**Key Actions**	**Responsibility**	**Indicative Budget (SI$)**	**By when**
include hotel and improved tourist facilities through a public/private/partnership	costing • Tender proposal through PPP EOI		subject to design and costing	
Upgrade Suavanao runway to Dash Eight level	• Upgrade runway	CAASI	SI$ 3 million	Jan 2018
Develop and implement a business Plan for Solomon Airlines inbound operation	• Develop inbound operation business plan • Establish inbound operation	Solomon Airlines	Within existing budget	Jan 2017
Improve environmental waste management through community education and facility development and waste management services	• Design and implement on-going community awareness program • Identify options for improved waste management facilities and services and implement upgrades	DoE	1 million SI$ pa	Jan 2017
Ensure Disaster Risk Management and climate change implications are fully considered in the development of industry standards and building codes	• Review building codes against DRM guidelines	DoE/Provincial Government	Within existing budgets	Jan 2017
Prepare a model Provincial Tourism Plan for Western Province, to highlight development and investment opportunities and minor infrastructure and attraction upgrades	• Prepare ToR and contract consult	MoCT	250,000	June 2017
Develop a Tourism Precinct for Honiara centred around the main wharf and market area to include landscaping, cleaning, thematic painting and improved police presence	• Establish Steering Committee chaired by Honiara Town Council • Develop Tourism Precinct Concept Plan and cost priority improvements • Implement phased development of improvements	HTC/MoCT/MoI	To be determined	Jan 2017
Facilitate the provision of medical facilities which cater for tourists needs in Honiara	• Review options for private sector health provision including future management of RAMSI related facilities	MoH/MoCT	To be determined	Jan 2017

Strategy: To build tourism human resource capacity in the Solomon Islands				
Recommendation	**Key Actions**	**Responsibility**	**Indicative Budget (SI$)**	**By when Priority**
SHORT TERM - RECOMMENDATIONS				
Recruit Director and trainers and launch SINUS Tourism and Hospitality Program	• Recruit suitable candidates • Implement course program	SINU	Within existing budget	April 2015
MEDIUM TERM - RECOMMENDATIONS				
Expand SBECs role in workplace training and business support services for the tourism sector	• See Product Development			
Develop and publish an Annual Tourism and Hospitality Training Calendar	• Review existing regional and national training provision • Develop calendar and communicate to industry • Work with SBEC/SINU and others to	MoCT/SINU/SBEC/SPTO	Calendar within existing budget New programs to be costed	Mar 2017

	development programs to cover identified gaps			
Review the secondary school curriculum and introduce tourism content/modules	• Establish Working group to review existing secondary tourism material and update and develop new	MoCT/DoE	Within existing budgets	Jan 2018
Strategy: To support the expansion of sustainable cruise shipping and yachting sectors				
Plan and labour market survey	consultants			
Introduce a system of Tourism Awards to recognise 'Best Practice' in tourism operations	• Design system of Awards and implement • Consider linkages to Accreditation Program	MoCT	200,000 per annum	Jan 2017
Develop tax incentives to support workplace experience/placement for tourism and hospitality students with larger operators	• Design placement programme and related system of tax incentives to support workplace training and placements	MoCT/MoIR	Within existing budgets	June 2017

Recommendation	Key Actions	Responsibility	Indicative Budget (SI$)	By when Priority
SHORT TERM - RECOMMENDATIONS				
Establish National Cruise Ship Working Group	• Prepare ToR and facilitate schedule of meetings	MoCT	Within existing budget	Mar 2015
Develop cruise shipping operator database	• Develop and maintain operator contacts database	MoCT	Within existing budget	Mar 2015
Develop and implement Cruise Ship Operator Communications Program (including product and infrastructure upgrades)	• Implement communications programme	MoCT	Within existing budget	Mar 2015
Assist with tour development at local cruise ship ports of call	• Liaise with cruise companies and local communities •	MoCT	500,000 million pa	June 2015
Establish a single point of contact for cruise lines within DoT	• Formalise contact point within DoT and communicate to cruise operators	MoCT	Within existing budget	Mar 2015
Review and implement changes to cruise ship passenger processing to alleviate requirement for officials to travel on board	• Working Group to work though procedural change required with key agencies • Amend regulations accordingly	MoCT/DoI/ Customs/ Quarantine	Within existing budget	Mar 2015
MEDIUM TERM RECOMMENDATIONS				
Review all cruise destinations and assess landing facilities and incorporate in National Infrastructure Planning	• Prepare ToR and conduct review • Incorporate findings into NIIP	MoCT/MoI	500,000	Jan 2018
Work with remote communities to facilitate cruise ship visits including mediation in regards to fees and charges	• Develop model agreement • Mediate disputes (ongoing)	MoCT	500,000 pa	Jan 2018
Conduct and Economic Impact Analysis of cruise shipping study	• Develop ToR and contract consultants	MoCT	500,000	Jan 2018
Work with neighbouring countries on joint initiatives to develop cruise itineraries	• Conduct regional meeting with interested cruise destinations	MoCT/SPTO	300,000 pa	Jun 2018

APPENDIX A – STAKEHOLDERS CONSULTED

CONTACT PERSON	ORGANISATION/BUSINESS NAME	PLACE OF BUSINESS
Morris Kumakana	Teromudie	Munda
David Ernest Kera	Munda Guesthouse	Munda
Myrie Tema	Ravihina Homestay	Munda
Erik N. Kera	Munda Guesthouse	Munda
Beatrice Pilas Zio	Agnes Lodge	Munda
Janina Pana	Agnes Lodge	Munda
Jen Will	Dive Munda	Munda
Graeme Senson	Dive Munda	Munda
Peza Lati	Kogubulena Village Stay	Egolo, Rendova
Mavoka Havea	Elroka Homestay	Bawiata Village, Rendova
Jenno Hughes	Agnes Lodge	Munda
Jack Forest	Gelvinas Motel	Gizo
Flory Kwan Taylor	Sun west Motel	Gizo
Jeremy Baea	Oravae Cottage	Gizo
Yolonde Semi	Cegily's Guesthouse	Gizo
Sue Smith	Tourism / Hospitality Advisor & Trainer	Saeragi, Gizo
William Giroi	Urilolo Lodge	Saeragi, Gizo
Elton Rore	Ileile Resort	Gizo
Scriven Pioh	Urilolo Lodge	Saeragi, Gizo
Goldie Ringe	Ikeke Lodge	Gizo
Reuben Jagilly	Ocean View Lodge	Gizo
Eric Ghemu	Leleana Lodge	Gizo
Valrie Pitasopa	Phoebes Resthouse	Gizo
Ivan Maeke	Rekona Lodge	Gizo
Lawry Wickham	PT 109	Gizo
Greg Vumba	Gizo Hotel	Gizo

CONTACT PERSON	ORGANISATION/BUSINESS NAME	PLACE OF BUSINESS
Sam Mereki	Gizo Hotel	Gizo
Barny Sivoro	Director, Division of Tourism, MCT	Honiara
Savita Nandan	Deputy Director, Division of Tourism, MCT	Honiara
Josefa Tuamoto	CEO, SIVB	Honiara
Tony Heorake	Director, Nationals Museum	Honiara
Wilson Ne'e	Chairman, SIVB Board	Honiara
Anthony Sullivan	IFC Investment Officer	Honiara
Seva Payevskiy (Mr)	IFC Country Rep	Honiara
Tai'atu Ata ata (Ms)	ADB	
Naomi KYRIACOPOULOS	NZ High Comm	Honiara
Ella Wairiu	NZ High Comm	Honiara
Sanjay Bhargava	GM, Heritage Park Hotel	Honiara
Lonsdale Meta	Florida Pala Lodge	Central Islands
Harry Bonogo	H Q Lodge	Central Islands
Rose Kande	Lucky Last Club	Central Islands
Annette Dennis	Vanita Motel	Central Islands
Ellison Parapolo	New tourism developer	Central Islands
James Taeburi	Provincial Secretary, CIP	Central Islands
Kerrie Kennedy	Dive Gizo	Gizo
Nicola Kaua	MDPAC - Planning Office	Honiara
Barnabas Bago	MDPAC - Planning Office	Honiara
Andrew Prakash	MDPAC, Director of Economic & Productive Sector Planning	Honiara
Gus Kraus	Solomon Airlines GM - Operations & Commercial	Honiara
Colin Sigimanu	Solomon Airlines, Manager Planning	Honiara
David Keva	Solomon Airlines, Marketing Office	Honiara

CONTACT PERSON	ORGANISATION/BUSINESS NAME	PLACE OF BUSINESS
Ann Tully	World Bank, Country Rep	Honiara
Martin Luis Alton	Public Expenditure & Growth Economist, World Bank	Honiara
George Satu	Department of Civil Aviation , Director	Honiara
Brian	Department of Civil Aviation	Honiara
David Inabinet	DFAT Australian High Commission, Second Secretary	Honiara
Silke Speier	DFAT Australian High Commission, First Secretary Economics	Honiara
Liz Reece	Small Business Enterprise Center	Honiara
Joel Hounima	SBEC	Honiara
Shiv Raj	EIF & Technical Advisor, Ministry of Foreign Affairs & External Trade	Honiara
George Tuti	EIF Project Coordinator, Ministry of Foreign Affairs & External Trade	Honiara
Mr. Mitchell Pirie	Macroeconomic Advisor, Economic Reform Unit, Ministry of Finance & Treasury	Honiara
Mr. Tonken	Acting Dean, School of Business & Management, Solomon Islands National University	Honiara
Mr. Michael Wate	Deputy GM - SINPF	Honiara
Ms. Jennifer Lakoa	Assistant Manager Investment - SINPF	Honiara
Mr. Glen Joshua	Director of Corporate Services, Solomon Islands Ports Authority	Honiara
Steward Manedia	Rock Haven Ltd	Honiara
Mr. Belani Tekulu	Red Mansion	Honiara

CONTACT PERSON	ORGANISATION/BUSINESS NAME	PLACE OF BUSINESS
Eric Tecson	Pacifica Casino Hotel	Honiara
Neil Yates	Tulagi Dive	Tulagi / Honiara
Shane Kennedy	King Solomon & Gizo Hotels	Honiara / Gizo
Sabrina Sam	Sanalae Apartments	Honiara
Rodney Begley	Guadalcanal Travel Services (GTS)	Honiara
Thomas Dakero	Busu Butaiasi Tourism	Langalanga Lagoon, Malaita
Hilda Manu	Hilma Villagestay	Langalanga Lagoon, Malaita
Joana Kofana		Auki, Malaita
Joanna Walton	Rarasu Motel	Auki, Malaita
Festus Fiumae	Rarasu Restaurant	Auki, Malaita
Emmy Ausuta	SSEC Aulei Transit	Auki, Malaita
Rose Ramonisia	Hilltop Lodge	Auki, Malaita
Meshack Maukera	AM Family Inn	Auki, Malaita
David Tafea Idute'e	F E Travelers Motel	Auki, Malaita
David Ganifiri	Dave's Transit	Auki, Malaita
Silas Duite'e Mala'i	Discover Malaita Tours	Auki, Malaita
Michael Lono	L S Fuel Depot	Auki, Malaita
Clement Basi	Fibasi Homestay	Langalanga Lagoon, Malaita
Jackson Leaburi	Malaita Tourism Officer	Auki, Malaita

CONTACT PERSON	ORGANISATION/BUSINESS NAME	PLACE OF BUSINESS
VALIDATION WORKSHOP ATTENDEES (Honiara – February 2015)		
Hon Bart Parapolo	Minister for Tourism – Ministry of Culture and Tourism	
John Wasi	Ministry of Culture and Tourism	
Moses Tapi	Ministry of Culture and Tourism	
Barney Sivoro	Ministry of Culture and Tourism	
Jonathan Taisia	Ministry of Culture and Tourism	
Greg Auta'a	Ministry of Culture and Tourism	
Rachel Sibisophere	Ministry of Culture and Tourism	
Niniu Oligao	Ministry of Culture and Tourism	
Eldine Devesi	Ministry of Culture and Tourism	
Joan Sautehi	Ministry of Culture and Tourism	
Hudson Maesu	Ministry of Culture and Tourism	
Josefa Tuamoto	Solomon Islands Visitors Bureau	
Fred Unusi	Solomon Islands Visitors Bureau	
Stella Laugasau	Solomon Islands Visitors Bureau	
Ellison Kyere	Solomon Islands Visitors Bureau	
Brendan Mautoa	Solomon Islands Visitors Bureau	
Francis Deve	Solomon Kitano Hotel	
Lennox Vuti	South Pacific Tourism Organisation	
Ross Hopkins	TRIP Consultants	
Andrew Nihopara	TRIP Consultants	
Shane Kennedy	King Solomon Hotel	

CONTACT PERSON	ORGANISATION/BUSINESS NAME	PLACE OF BUSINESS
Sheena Leong	Pacific Casino Hotel and Apartments	
Rose Masibata	Honiara Hotel	
Heyerdhal Vavozo	Department of Finance	
David Maebata	GMS Transit	
Nelson Satorara	Tanuli Royal Plains Hotel	
Kim Blanche	Rock Haven Inn	
Fred Keyaumi	Travelers Motel	
Lorna Ghedi	Solomon City Motel	
Alphorei Garimae	Chesta Guest House	
George Tora	United Church Rest House	
Betsi Olioutou	St Agnes Mothers Union Transit	
Robert Gerea	Local Transport and Retail	
Simba Paza	Zome Lodge	
Henry Waneasi	Sanalae Apartments	
Patricia Make	Rekona Flourish Lodge	
Jenny Ausuta	Bilikiki Cruises Dive	
Wilson Maelaua	Destination Solomon Tour	
Karen Foimua	Travel Solomon	
Hazel	Solomon Airlines	
David Keru	Solomon Airlines	
Wilson Ne'e	SIVB Chairman	
Ella Wairiu	New Zealand High Commission	

CONTACT PERSON	ORGANISATION/BUSINESS NAME	PLACE OF BUSINESS
Nicola Kaua	MDPAC	
Ann Tully	World Bank	
Silke Speier	Australian High Commission	
Benjiman Afuga	FSII	
Joel Hourima	SBEC	
George Tuti	Tier 2 Project	
Mitchell Pirier	Department of Finance	
Primula Kingmele	Department of Finance	
Loraine Sisilo	Department of Finance	
Samson Bisafo	SINU	
Michael Ware	SINPF	
Glynn Joshua	SIPA	
Rodney Begley	GTS	
Joe Horokou	Department of Environment	
Nicole Hirst	Australian High Commission	
Cornelius Donga	Department of Commerce	
Harry Rini	Ministry of Infrastructure	
John Kuvi	Green Tourism	
Leonidadas Tezapfidis	European Union	
George Tapo	Commissioner of Inland Revenue	
Denis Marita	Director of Culture	
Derick Aihari	Director of Foreign Investment	

CONTACT PERSON	ORGANISATION/BUSINESS NAME	PLACE OF BUSINESS
Loyley Ngira	Solomon Telecom	
Joyce Konofilia	Solomon Host	
Joseph Maslaua	Destinations Solomons	
Vera Ogatuti	Island Lodge	
Kris Maelaua	Destination Solomons	
Adam Mee	Virgin Australia	
Bata Barasi	Villa Heights	

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