



# SOL TRADE MEANS Newsletter



Vol 2: July - September 2013



## SI Benefits From SBD 2.2 billion PNG Investment

The Country has greatly benefitted from Papua New Guinea businesses with a total investment value of more than SBD 2.2 billion over the past years. This was revealed by the Minister for Foreign Affairs and External Trade Mr. Clay Forau during a reception in early August to welcome various business delegates from PNG who were here for the PNG - SI Trade and Investment Mission.

He added that in the last five years PNG and Solomon Islands have recorded strong economic growth compared to other neighbouring Pacific Island Countries. There is no doubt that we have the resources and the population that we can harness and put into productive use to grow our economies. Trade and Investment is the vehicle that we can use to transform our economies and trade our way out of aid dependency



Mr. Clay Forau. Minister for Foreign Affairs

*“Through trade and investment, there is a sense of optimism about the future development prospect of our countries,”*

Mr Forau said.

Speaking during the reception, the Minister highlighted that so far PNG has around 60 investors already operating in Solomon Islands with a total investment value of more than SBD 2.2 billion. This represents the employment of 5,285 local Solomon Islanders.

*“I would assume that after this mission, there could be more investment coming from PNG and the employment and other benefits accrued to our people will increase substantially”*

Minister Forau Said.

He reiterated that Solomon Islands always looks up to PNG as a big brother who cares.

*“I’m sure this natural bond we have will continue to flourish with a shared purpose of strengthening our countries mutual relationship through trade and investment to bring about changes that will transform our countries and the lives of our people for the better,”*

Mr. Forau told the visiting delegates.

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Meanwhile, apart from showcasing the various products, the PNG delegation were also engaged in discussions with various local stakeholders on possible trade and investment opportunities between Solomon Islands and Papua New Guinea.

The PNG delegation was led by their Minister for Trade, Commerce & Industry the Honorable Minister Richard Maru.

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### Sisilo: SI Trade Policy Framework In The Making

“Trade, not aid, is the way to go if we are to achieve any degree of sustainable economic growth and development. But we cannot go down that route without a comprehensive Trade Policy Framework in place”. Mr. Robert Sisilo, Trade Negotiations Envoy, told reporters in a press conference .

Currently Mr. Sisilo and his fellow trade negotiators use the Diagnostic Trade Integration Strategy (DTIS) done for Solomon Islands in 2009 and their national consultations with stakeholders as the basis for an ad hoc application and approach to negotiations of various trade agreements.

“This is still not good enough. We need to have a comprehensive Trade Policy Framework to guide us in our domestic and international trade relations.

One that would clearly articulate our trade and development priorities which we must promote and defend, in a co-ordinated manner, with foreign governments and international organisations”. Mr. Sisilo emphasised.

Since the beginning of September the staff of the Ministry of Foreign Affairs and External Trade, assisted by the Pacific Forum Secretariat, have started developing this Trade Policy Framework.

They have and will continue to consult all the key stakeholders in the government, the private sector and other non-state actors on Solomon Islands’ current and future trade interests and policies.

The team also travelled to Western Province and the intention is to cover as many parts of the country as possible. “Nation-wide consultations with key stakeholders are crucial if we are to claim any ownership of the Framework.



Trade Negotiations Envoy, Mr. Robert Sisilo, speaking to local reporters during a press conference at the Ministry of Foreign Affairs and External Trade.

Their views on forestry, logging, agriculture and livestock, fisheries and aquaculture, mining and tourism, among other sectors, will assist us in putting together government policies on these sectors,” Mr. Sisilo stressed.

The Trade Policy Framework will mainstream trade into Solomon Islands National Development Strategy and to use it to secure Aid for Trade from Solomon Islands’ trade and development partners.

It will also assist Solomon Islands to address the production and supply-side constraints which hinder trade.

The final draft of the Trade Policy Framework is expected to be completed in April 2014 when it will be presented to the relevant stakeholders and finally to Cabinet and Parliament for their endorsement.

## Trade Capacity Building Support For Solomon Islands

From the 12-13<sup>th</sup> September 2013 the Ministry of Foreign Affairs and External Trade (MFAET) organised a national stakeholder’s consultation for “Strengthening Trade Negotiation Capacity of Solomon Islands (STNC – SI)” project related activities.

This comes as the Trade Advocacy Fund (TAF) recently launched a new grant with the Ministry of Foreign Affairs and External Trade of the Solomon Islands. The grant award follows a successful TAF Advisory Mission in 2012, which assisted the Ministry to review its strategy for managing key trade negotiations and to define priority needs of support from TAF.

The project is funded by the Trade Advocacy Fund (TAF) and implemented jointly by the Department of External Trade and the UK Overseas Development Institute (ODI).

This project mainly aims to strengthen Trade Negotiation Capacity of Solomon Islands through a range of concrete projects focused on the Government’s immediate negotiating priorities.

The TAF project will carry out a cost-benefit analysis of concluding an interim or comprehensive Economic Partnership Agreement (EPA) with the EU; develop a trade negotiations framework; hold a trade negotiation skills workshop and implement a capacity building programme focused on trade analysis for government officials. Overall, TAF’s support will enable the Solomon Islands’ more effective participation in key trade negotiations, and ensure that positions across all fora are well defined, coordinated and representative of the country’s interests.

### Trade Capacity Building Support For Solomon Islands

As part of the consultations three ODI experts were also in the Country to hold a national stakeholder consultation with members of the Country's National Trade Development Council (NTDC) and other stakeholders. Issues discussed during the consultations related to cost benefit analysis of IEPA/EPA with the European Union and Trade Negotiations Framework for Solomon Islands.

The group also visited Government Ministries which deal with trade related data and analysis and discussed issues related to analytical capacity building for trade negotiations.

They were in the country for two weeks within which they also travelled to Western Province to hold discussion with officials in the province.



### National Trade Development Council Holds First Ever Meeting

The National Trade Development Council (NTDC) held its first ever meeting on 3rd July 2013 at the Kairos conference centre.

Cabinet endorsed the Ministry of Foreign Affairs and External Trade (MFAET) to facilitate the work of NTDC on December 20<sup>th</sup> last year.

The council was established to oversee the overall trade development processes, including trade policy formulation, trade mainstreaming into national development plans and to ensure effective coordination amongst government ministries and institutions, private sector organizations, civil society and non-governmental organizations.

In addition, this council will also act as the steering committee for the Enhanced Integrated Framework (EIF) and monitor its implementing process in the country.

It is chaired by the Minister for Foreign Affairs and External Trade and will report to Cabinet through the Minister as and when determined necessary by the Council, but not less than once in a year.

Speaking during the opening of the meeting, the chairman of the council Mr. Clay Forau told the members of the council that the role of the NTDC is crucial and that the council is expected to prioritise the activities and guide mobilization of resources, both internal and external, and help formulate the position of the country for various trade negotiations.

EIF Technical Advisor Mr. Shiv Raj doing a presentation during the first NDTC meeting in July.



Participants at the first ever meeting of the NDTC

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### National Trade Development Council Holds First Ever Meeting



NTDC vice president Mr. Jerry Tegemoana and Director of Trade Mr Barret Salato chaired the First NDTC meeting.

“We need to utilise our internal as well as external resources wisely, particularly Aid for Trade, which our development partners have committed to various trade negotiations at bilateral, regional and multilateral level.

“Solomon Islands is among the 10 bottom recipient countries of Aid for Trade, which clearly indicates that we need to work further to attract more Aid for Trade and use those resources to tackle our supply side constraints,”

Mr. Forau said in his opening remarks.

The council in its first meeting also nominated two vice chairs from the Public sector and the private sector.

The two new vice chairs are Central Bank of Solomon Islands (CBSI) for the public sector and Solomon Islands Chamber of Commerce and Industry (SICCI) for the private sector.

The NTDC comprises of representatives from the various Government Ministries and some non-Government groups.

### First Workshop For Small And Medium Entrepreneurs Completed

A two day workshop for small and medium entrepreneurs on exporting skills, marketing for overseas customers and customer services was completed on the 2<sup>nd</sup> of September at the Kairos conference centre.

In Solomon Islands majority of people lives in rural areas and depend on subsistence agriculture and small businesses for livelihood. SMEs occupy a crucial place in the economy and are vital for economic development of the country.

Various trade related rules, agreements and decisions involving obligations relating to reduction of tariffs, cutting of subsidies, trade related intellectual property rights, technical standards and large-scale liberalization of services/ infrastructure, etc. affect SMEs. Furthermore, trade liberalization brings both benefits and challenges for entrepreneurs, including SMEs. Therefore, efforts are needed to

protect and promote SMEs in the country.

This series of workshops is intended to educate entrepreneurs on business skills, particularly related to export business.

The workshop was organized by the Small and Medium Enterprises Council of Solomon Islands (SMEC SI) in **collaboration** with the Enhanced Integrated Framework (EIF) National Implementation Unit under the Department of External Trade at the Ministry of Foreign Affairs and External Trade.

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### First Workshop For Small And Medium Entrepreneurs Completed

In April of this year SMEC along with the EIF implementation Unit signed a MOU whereby SMEC will conduct three workshops and other activities for small and medium entrepreneurs to support and promote export businesses in the country.

The three workshops will cover issues on Exporting skills, marketing principles and customer services.

The first workshop was facilitated by MS Liz Reece and was mainly focused on providing micro and small businesses with some professional export skills, knowledge and understanding to tackle the highly competitive world of international trade.



### SI Yet To Fully Take Advantage Of MSGTA

The Country is yet to fully take advantage of the Melanesian Spearhead Group Trade Agreement (MSGTA).

This was revealed by the Director for External Trade Department Mr. Barret Salato when giving a presentation to more than 20 local small and medium entrepreneurs who were attending a workshop that was organized by the Small and Medium Enterprises Council of Solomon Islands (SMEC SI).

Mr. Salato told the participants at the workshop that the Country is currently importing more products than exporting under the MSGTA.

“To address this trade imbalance the External Trade department is currently working on a national Trade Policy Framework (TPF) which will assist the country to prioritise and develop its supply-side capacity so that we can produce products and trade them.

“Providing support to our exporters is crucial if this country is to raise its trade performance under the MSGTA or any other trade agreements.

“I would also on the same note like to say that the Enhanced Integrated Framework (EIF) National Implementation Unit under the Department of External Trade at the Ministry of Foreign Affairs and External Trade will continue to support the SMEC in its training programs for SMEs to enable current and future exporters to make use of the various market access we have,” Mr Salato said.

The two day workshop was mainly focused on providing

micro and small businesses with some professional export skills, knowledge and understanding to tackle the highly competitive world of international trade. Two more other workshops are also expected to be done in the coming months.



Director of External Trade Mr. Barret Salato giving his presentation to local small and medium entrepreneurs during the workshop

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### MFAET HOMs Consultations Completed

A four day national consultation by the Ministry of Foreign Affairs and External Trade (MFAET) for its Heads of Missions and other relevant stakeholders was completed on the 16 of August 2013. The consultation saw all of the Country's Heads of Missions from New York, Havana, Brussels, Geneva, Taipei, Kuala Lumpur, Canberra, Suva and Port Moresby attending the four day event.

With the theme "Advancing Solomon Islands Interests abroad; strengthening interlinks and coordination amongst Government line Ministries to MFAET and our overseas Mission," the four day consultations saw the nine Heads of Missions giving presentations on their work plans and operational activities for the year 2012-2013.

The consultations provided an opportunity for all the overseas missions together with the headquarter staffs to review their foreign policy engagements and operations to ensure their policies are current and up to date in meeting the overall foreign policies of the NCRA government. With the conclusion of the consultation an outcome document was also produced by the heads of missions along with the staff of MFAET.

The outcome document is proposed to set a course for the formulation of a foreign policy framework for the Ministry of Foreign Affairs and External trade. The consultations enable the HOMs and MFAET staff to have a better understanding and appreciation of the Government's overall policies and provides an opportunity to strengthen coordination and alignment of the overall Ministerial work program with Government policies and priorities.

It is also an opportunity for the Ministry to reflect and re-view progress made; and chart the way forward to achieve stated government policies Speaking during the official closing the Minister for Foreign Affairs and External Trade Mr. Clay Forau told the HOMs and staff of the MFAET that

he hopes that the outcome of the consultations will reflect a wide scope of wisdom that will benefit the country.

"This is the first Heads of Mission consultation which other Ministries and stakeholders have attended and I hope that the presentations by the other Ministries will help our Heads of Missions and the Ministry to be more aware of issues that need to be raised at the international level. "I am also pleased to see the commitment by the Heads of Missions and the all the Ministry staff and this show how committed the staff are towards achieving the NCRA government policies.

"We must now work together more closely as this consultation has identified areas we need to collaborate on. "The outcome of the consultations should help us put together a very good cooperate plan for the coming years" Minister Forau said in his closing remarks.

Meanwhile speaking on behalf of the other heads of missions, the Ambassador to Malaysia his Excellency Victor Ngele expressed gratitude to the Minister and MFAET staff for their hard work in facilitating the consultations.

"This consultation enables us to interact with local MFAET staff which in turn will help our work overseas.

"We realise that the task ahead needs a lot of commitment on our part but with humility we pledge that we will do whatever is possible within the resources that we are given to truly represent the interest of the country in the various missions that we represent abroad," Mr. Ngele said.

The consultation was formally closed with a dinner for the Heads of Missions hosted by the Minister for Foreign Affairs and External Trade

Hon. Clay Forau.



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Local Solomon Island workers working in New Zealand farms have been praised for their hard work and good reputation.

This was revealed by the New Zealand Deputy High Commissioner Mr. Mike Kitchen while giving his opening remarks to open a two day Planning and Customer Relationship Management Workshop for the New Zealand Recognized Seasonal Employer Recruiting (RSE) Agents in October.

Mr. Ketchen highlighted that Solomon Island workers have been very hardworking and produce more output compared to seasonal workers from other Pacific countries.

He urged the local recruiting agents to keep up the good reputation by recruiting the best possible workers who would go over and not only earn money for themselves but also be good ambassadors for the coun-

try.

Also speaking during the opening was the Director of External trade Mr. Barrett Salato who reminded the agents to be always fair when doing the recruitments.

Mr. Salato urged the local Agents to recruit workers from rural areas where there is lack of economic opportunity and to also fairly spread the limited job opportunities to all provinces.

The workshop is part of the Strengthening Pacific Partnership (SPP) program to assist recruiting agents to successfully plan for the recruitment and deployment of seasonal workers to New Zealand.

The Country currently has 10 local recruiting agents for the New Zealand Recognized Seasonal Employer Recruiting (RSE).

The work shop was organised the Labour Mobility Unit (LMU) in the

Ministry of Foreign Affairs and External Trade in collaboration with the Ministry of Business Innovation and Employment (MBIE) New Zealand, the Ministry responsible for RSE and through the BRANDHEART trainer.

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**Top Right** – Some of the local Recruiting agents of the New Zealand Recognized Seasonal Employer Recruiting (RSE) scheme.

**Top Left** - A typical citrus farm where our locals go and work in. One of our locals busy picking citrus in one of the farms.

**Bottom Right** – Packing of Fruits is one of the jobs which our locals are engaged in while working in the farms



“We need to have a comprehensive Trade Policy Framework to guide us in our domestic and international trade relations”.



## Heads of Mission Consultations



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