



SoloBis

a bi-monthly round-up of Solomon Islands
business and economic developments,
October 2012

Welcome to the October 2012 edition of 'SoloBis', a bi-monthly newsletter prepared by the New Zealand High Commission, Honiara. SoloBis outlines economic and business developments in Solomon Islands likely to be of interest to New Zealand companies. It is also published on www.nzembassy.com/solomon-islands. For further information on any of these stories, please contact the New Zealand High Commission, Honiara: nzhicom@solomon.com.sb, placing 'Solobis' in the subject line.

The Central Bank of Solomon Islands has announced that the country now has a record USD 500 million in foreign reserves. Governor Denton Rarawa says a steady climb in reserves over recent months is the result of increased revenue from exports, mainly logs, and donor funding. The country's foreign reserves figure a year ago was USD 370 million.

High-quality broadband has come a step closer for Solomon Islands with the announcement by the ADB of grants and loans totalling USD 18 million towards the USD 60 million Solomon Islands Broadband for Development project. The company behind the project is also finalising private sector loans. The project, which is scheduled for completion at the end of 2013, involves connecting the country to the existing Guam-Sydney undersea fibre-optic cable.

The Ministry of Fisheries and Marine Resources has put up for tender 35 tonnes of beche de mer (sea cucumber) seized after being harvested illegally at Ontong Java. The people of the remote island – who have traditionally relied on sea cucumber for income – asked the government to show leniency following the seizure, which is thought to be worth around USD 2 million. The government says the sale proceeds will be put into the consolidated account and it will then decide how much will go to Ontong Java. Fisheries specialists say the sale works against the government's intention to preserve stocks of sea cucumber.

Solomon Islands' iconic tuna brand, Soltai, has been renamed Soltuna. The change reflects a change in majority ownership of the Noro-based company to US business Trimarine and also a desire for a fresh image, company chair Phil Roberts has been quoted as saying. Soltuna is looking to expand production 30 percent this year and hopes to increase its export markets to include Australia, New Zealand and Pacific states. At present the company exports to PNG and Fiji.



New Zealand Government

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Solomon Airlines has resumed scheduled flights to Auki in Malaita and Jajao in Isabel. Services to Auki were suspended two years ago following a dispute over the airport land. The Isabel service was halted several years ago owing to low demand, but Solomon Airlines says it has reconsidered on the basis of increased economic activity in the province.

The Solomon Islands Government has confirmed that any fisheries arrangements for access to Solomons' waters must be based on the Vessel Days Scheme (VDS) used by Parties to the Nauru Agreement (PNA) members. Solomon Islands' use of the VDS scheme was tested in September when the EU sought access to the Solomon Islands' EEZ based on catch rather than effort. However the proposal was knocked back by the government, which said the VDS had to be used because it had been adopted by all PNA members and was an effective management tool. The VDS scheme allows PNA countries to control access to, and return from, tuna stocks in their EEZs through the sale to distant water fishing operations of limited numbers of "fishing days". Sale of fishing licenses is worth about USD 17 million per year to Solomon Islands.

The large Sasape slipway at Tulagi, Central province has been reopened under new ownership and is able to service boats of up to 700 tonnes. The slipway, which used to be operated by a now-bankrupt state business, is now owned in a joint venture between Australian company Silentworld and the Solomon Islands National Provident Fund. It employs around 40 people and a spokesman says it is likely to be servicing around one vessel per week.

The Recognised Seasonal Employer (RSE) scheme is shaping up for another big year in Solomon Islands. Early signs are that considerably more than last year's record of 400 Solomon Islands workers will travel to New Zealand over the 2012/13 summer-autumn period. Recruitment is going ahead without major problems, though the Solomon Islands Government has reminded those seeking seasonal work in either New Zealand or Australia that they must work through accredited agents. That advice follows an incorrect claim by a local recruiting business that it had the authority to source workers in Australia outside of the Australian temporary work scheme.

New Zealand visitor visas in Solomon Islands are now being received by TT Services Ltd rather than the New Zealand High Commission. The international company, which has an office in downtown Honiara, sends the completed documentation electronically to Suva for processing by Immigration New Zealand staff. Visa letters are then sent electronically to the traveller or to TT Services for collection. The outsourced operation, which has been in place since mid-September, is operating smoothly, with most applicants receiving electronic visa letters in around two days.

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