Fostering Private Sector DEVELOPMENT in Solomon Islands

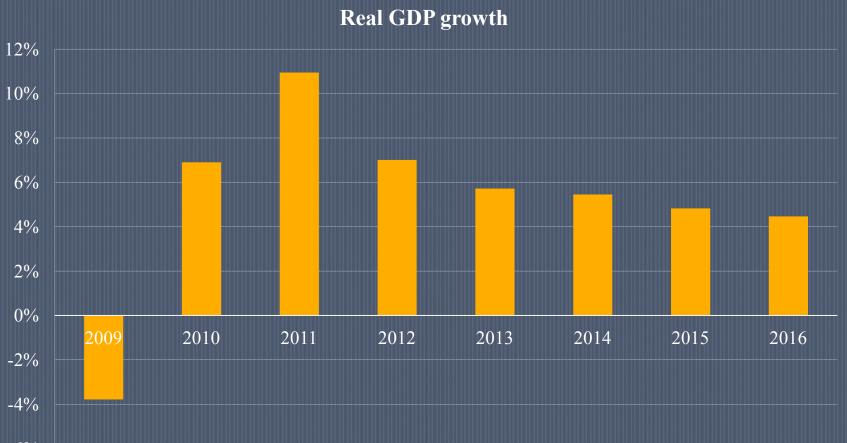
Presented by Hon. Rick Houenipwela, Minister for Finance and Treasury, Solomon Islands

Summary

- Overview of the Solomon Islands economyChallenges
- Reform Priorities and Initiatives
 - Business Reforms
 - Tax Reforms
 - SOE Reforms
 - Budget Reforms
- Engagement with Development Partners (IFC)

Overview of Solomon Islands Economy

The Solomon Islands Economy – where it came from and where it is heading to..



-6%

Challenges

Improve access to financial services Remove impediments to growth Manage the impact of declining logging Improve management public of expenditure budget through improving development and accountability

Priority Reforms and Initiatives

Business Reforms

- Establishment of a National Financial Services Inclusion Taskforce - government promoting policy reforms aimed at improving access to financial services
- New Secured Transaction Law
- Establishment of an online Companies Registry through the New Companies Act
- Review of the Solomon Islands National Provident Fund (NPF) Act
- Establishment of the Telecommunication Commission - new mobile supplier provider allowed into the market

Tax Reforms

- Improving Revenue Administration
- Developing a Mining Tax Framework
- Reviewing of Customs and Excise Legislation particularly on Customs Valuation and Exemption Reforms
- Determined Value for Logs
- Increasing of the Personal Exemption Threshold

SOE Reforms

- New SOE Act (2007) and new SOE Regulations (2010)
- Privatization of failed SOEs
- Improving the Management and Finances of SOEs that are directly contributing to improving Service Delivery
- Introduction of New Policies Community Service Obligations
- Solving the Debt issues with Solomon Island Electricity Authority (SIEA). Part of this is restructuring of the Tariffs for Solomon Islands Water Authority(SIWA)
- Public and Private Partnership/Participation in SOE Service Delivery

Budgetary Reforms

- Establishment of National Transport Fund allocations in the Development Budget for all Transport Development Projects
- Increasing transparency and accountability
 - Greater inclusion in budget preparation process
 - Linking the annual budget to the National Development Strategy (NDS) and Medium-Term Fiscal Strategy (MTFS)

Engagement with the International Finance Corporation

Energy Infrastructure
Mining
Fisheries
Advisory services to support broader private sector development

Development: WB Ease of Doing Business

- Ease of Doing Business ranking has improved from 81 to 74 in 2012 (from 183 countries)
 - Starting a Business: online business registration
 - Registering Property: faster separating land from business & movable property registries
 - Protecting Investors: increasing shareholder access to corporate information
 - Resolving Insolvency: New law that simplifies insolvency proceedings

The End

Tagio Tu Mas