



SoloBis

a bi-monthly round-up of Solomon Islands
business and economic developments,
October 2010

Welcome to the October 2010 edition of “SoloBis”, a bi-monthly newsletter prepared by the New Zealand High Commission, Honiara. SoloBis outlines economic and business developments in Solomon Islands 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.

- World Bank's September East Asia Pacific review predicts strong growth for Solomon Islands in 2010 at 3-4%, a rebound on 2009's low of 0.92%, largely due to an increased log demand. The report notes however that future growth is still uncertain. World Bank welcomes the Government's commitment to transparency within the mining industry by taking steps to sign up to the Extractive Industries Transparency Initiative (EITI).
- bemobile launched its cellphone service on 31 August 2010 to huge fanfare, with promotional offers and giveaways drawing large crowds to their central Honiara office. Existing provider Our Telekom responded to the competition with freebies and price deals of their own.
- Solomon Airlines announced a fourth Brisbane-Honiara service, weekly on Sundays, commencing in December 2010. The new service will take the total number of weekly Brisbane-Honiara return flights operated by Solomon Airlines, Pacific Blue and Nauru's Our Airline to seven, with Saturday the only day with no connection to Brisbane. Honiara also has connections via Air Pacific to Port Vila and Nadi, Air Niugini to Port Moresby, and Our Airline on to Nauru.
- Inflation down to 1%: according to latest figures from the Central Bank of Solomon Islands, inflation has fallen from an annual rate of 1.6% to 1% in the latest three-month average figures. The drop is attributed to falls in food prices and telecommunications costs.
- On 14 September London Stock Exchange-listed Solomon Gold PLC announced the results of initial surface sampling on Fauro Island, part of the Shortland Islands group in Western Province, declaring that, based on its initial assay, Fauro Island “has the potential to host a world class gold deposit with geographical similarities to Lihir” (in PNG). Solomon Gold's share price rose steeply on the news.
- Solomon Islands IRD launched its new website on 28 September: www.ird.gov.sb. The website, which was developed with support from the New Zealand Aid Programme-funded RAMSI tax support programme, will allow taxpayers to access a variety of on-line services.

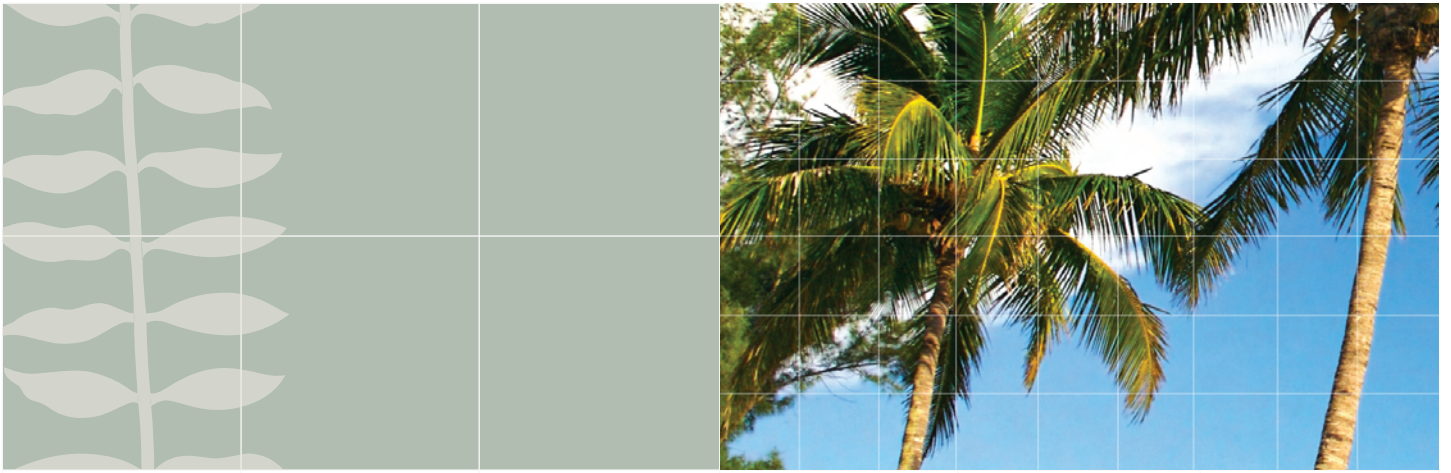


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- The first sitting of the 9th Parliament passed a Customs Valuation (Amendments) Bill, reverting the basis for customs valuation from FOB to CIF (reversing an inadvertent change brought about by earlier legislation).
- The Solomon Islands Inland Revenue Division and the Financial Intelligence Unit (based at the Central Bank of Solomon Islands) have signed an agreement providing for information exchange between the two agencies. This will assist in investigating tax evasion, money laundering and other financial crimes. The FIU also has similar agreements with other government agencies, including Customs and Police.
- First formed in 2004, Solomon Islands Women In Business Association (SIWIBA) was reactivated in April 2010 with 30 members. That number has now grown to 70 and includes businesses as diverse as groceries and bakeries, real estate agents, investment advisors and those in the informal sector such as florists and tailors. The SIWIBA network also extends to Solomon Islands provinces through Honiara-based contacts. For more information email Tele Bartlett (Secretary) tele.bartlett@gmail.com or Ning Gabrino (President) ning@solomon.com.sb

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