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Job Creation in the Tuna Industry of the Solomon Islands- A Tentative Strategic analysis

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Job Creation in the Tuna Industry of the Solomon Islands

A Tentative Strategic analysis

Executive Summary

The principal objective of this paper is to review the current Tuna Fisheries Policies in the Solomon Islands with a view to proposing strategies that will maximize Job creation while at the same time address the issues that currently exist in this sector. Although the Tuna Industry's contribution to GDP is quite significant, the Solomon Island Government (SIG) gets little or close to nothing out of it in the form of revenue and Job creation with the majority of vessels being foreign owned and fishing license fees amongst the lowest in the Pacific. SOLTAI which is partly owned by the National Provident Fund is the only Tuna Processing facility in the Solomon Islands. The company is based on the Island of Noro and employs close to 1300 locals. Despite the fact that there have been a number of proposals to reform the Tuna Industry in the Solomon Islands little has been done to actually implement these changes. Tuna Management and Development plans were written by overseas Consultants which are not fully understood by local counterparts so when they leave implementation becomes a major problem.

The paper is a policy analysis which brings together information from the different Ministries in the Solomon Island Government, including the Ministry of Fisheries and Marine Resources, Ministry of Development, Planning and Aid Coordination, Ministry of Education and Human Resources and Ministry of Foreign Affairs and External Trade. Its purpose is to examine and provides recommendations on current policies with regards to Tuna Development and Job creation.
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1.0 Introduction

The tuna industry has contributed to economic growth in two major ways, through the creation of jobs for the country and secondly through foreign exchange earnings. The analysis done on the Tuna Industry showed that it contributes a significant percentage of earnings to national GDP. For example in 2004, 2010 and 2011, tuna contribution to nominal GDP is 42%, 22% and 18% respectively. There are a number of major issues faced by the Tuna Fishing Industry. Firstly, the Solomon Islands Government is not getting the full value, as it should, from The Tuna Industry. There are currently four licensed fishing companies operating in the country, of these, two of fishing companies do not have onshore fish storage and processing plants. Currently the Government is only receiving a percentage of the total earnings from the Fishing Industry, for example, the government only received 3.91% of the total earnings in 2010 which is $37.232million out of the $950.2million that was made by the Tuna Industry. In 2011 alone the government only received 1.89% of the total earnings which is $19.729 million compared to the $1042.2million. Therefore this is entirely evident that most of what is earned is not retained in the country.

The spin off effects of poor regulations due to mismanagement of the tuna industry has also impacted on employment opportunities for locals. For example, a very small number of locals are employed on fishing vessels that are licensed to fish in the Solomon waters. The majority of fishermen are foreign nationals. This is true even for the Western Solomon Fishing Venture Company which is a joint venture Company between the Western Province Government and a Pilipino Company where all of the fishermen are foreign nationals. Also there is a lack of commitment by fishing companies to build onshore facilities although this is now a requirement of the Government. There is also a weak link and commitment to engage local communities in the catchment areas therefore surrounding communities are not fully participating in the industry.

Poor regulation and monitoring has also reduced the potential for increase earnings through fishing licensing fees. If licensing fees are increased this could bring huge benefits to the Government. Our analysis shows that the benefits could be maximized if the industry is well managed and properly regulated. The Government has realized this therefore, the Government through the Ministry of Fisheries and Marine Resources has plans in place to restructure the industry. In November 2011, a Solomon Islands Tuna Industry Investment Strategy paper was developed by the Ministry of Fisheries and Marine Resources (MFMR). From this Investment Strategy paper, a policy document was created which outlines, the policies, implementation strategies, time frames and performance indicators.

From an analysis of the current policy and strategies, alternative investment strategies were proposed which focuses on job creation, training and increasing benefits to the government. The alternative strategies have the potential of creating eight thousand, five hundred and four (8504) jobs. These include jobs in the major processing factories as well as in the smaller fish storage and packaging centres. Also jobs would be created for locals as fishermen in boats as well as engineers and crew on fishing vessels.

Another major area that could contribute to economic growth is the establishment of fish processing factories on shore. This will potentially create income generating activities for local communities thus increasing their earning power which can lead to improvement living standards and eventually encourage economic growth for the Solomon Islands.

The job creation policy suggests two main options, firstly that fish storage facilities would be set up in four provinces and a processing facility in the capital Honiara where the Tuna would be packaged for overseas market. This option has the likelihood of creating seven hundred and forty four (744) jobs. The second policy option is the creation of onshore fish processing factories by all the Fishing Companies operating in the Solomon waters. This has the huge potential of creating both direct and
indirect job opportunities that will result in positive economic growth. The potential number of jobs that could be created through this option is seven thousand seven hundred and sixty (7760) jobs.

For the successful implementation of the policy options, measures and instruments need to be put in place to support the reform of the enterprise and ensure that the industry is well managed and polices are well regulated. The policies that have been identified need to be raised to the citizens of Solomon Islands for their public awareness for the policies to be successful implemented. It is critical to educate the rural population on the benefits the fishing industry can offer. The fishing industry also has the potential of diversifying into other forms of fishing and therefore this is an industry that can easily be sustained by diversification.

Many recommendations can be drawn out from this report. Firstly, a review should be made on the relevant legislations such as Fisheries Acts, Fishing Licenses, Access Fees and current control and Monitoring mechanisms. This could be done better by establishing consultative bodies to carry out the reviews and amend them to ensure protection of resources and increase license fees to foreign vessels and impose high penalties for exceeding quotas. Secondly, offering tax incentives for companies that want to start onshore processing facilities will encourage more foreign investors. There needs to be more internal investment through increased number of scholarships for the Marine Sector to meet the demands of qualified local fishing masters, engineers and captains. Also introducing general training for skilled manpower is a priority in the reform phase of the industry. Greater allocation of budget to Fisheries Sector (with tight Controls) for development, education, and fishing gear for rural fishermen is also another key policy measure. The government will also consider tapping into donor support.

It should be mandatory for fishing companies to assist in setting up onshore processing facilities and purchase fishing vessels so that the government could focus its energy and attention to policy making and coordination of stakeholders to ensure that implementation is successful. That 100% of all revenue from fish sold overseas to be brought back into the country and also all the foreign vessels should have a makeup of at least 50% local fishing vessel crew. Once these actions are complied with they can bring huge returns for the government.

Finally, there are a number of key conclusions reached in the analysis of the reform and job creation in the tuna industry in the Solomon Islands. The strategy requires involvement and commitment from all stakeholders; Solomon Islands Government, Donors and Provincial Governments to make it work. Consultation between these stakeholders must happen and the consultation process has to be transparent and require sign off from all Ministries, Provincial governments and donors before commencement of the work.

Changes to appropriate legislations and effective external monitoring and evaluation of the implementation process is mandatory to ensure success. Tuna management and development plans must be well understood and owned by all stakeholders so that plans can be successfully implemented.

2.0 Background

There are many issues that affect the tuna industry in the Solomon Islands. One of the key issues is that the Solomon Islands’ is not getting the full value out of the tuna industry. There are unclear processes on how permit fees, activation fees, observer fees, access fees and fines are collected with the whole process lacking transparency. This suggests that the Industry is poorly regulated especially around sustainability and revenue collected from overseas sales i.e. Foreigners are not required to bring revenue back onshore.

There is no clear process on how fishing licenses are granted. In 2011 alone the Solomon Island government only received $19.72SBD million in revenue from the tuna industry compared to
$1.04SBD billion that the tuna industry generated in earnings; that means that the Solomon Island government only made 1.89% of total earnings from the Tuna industry. This is supported by the statistics given in table 1.1 which shows that the proceeds received by the Solomon Islands Government is only a small fraction of what is being taken offshore and by the results of a recent study by the EU Funded Devfish Project which outlines the best options for taking advantage to maximize economic benefits of the industry (Gillet, Preston & Walton, 2008).

The Government is currently working on policies to increase regulation of the Tuna Industry but a number of regulations needed to be reviewed and amended to cater for these improvements. Lack of on shore investment by Foreign Tuna Companies has led to limited Job opportunities for local Solomon Islanders as the Majority of their Boat crews are foreigners. According to the Ministry of Fisheries, Solomon Islands charge the lowest rate for issuing of fishing licenses in the Pacific.

Limited Linkages with Local Tuna small scale Community Fishing has led to low participation in the Tuna Fishery by domestic operators in the Solomon Islands. The offshore market is highly competitive and requires large investment with sometimes marginal returns on the capital invested. Constrains in infrastructure and market outlets are also obstacles for local operations. Lack of Transparency in administering, monitoring and granting of licenses by Government has led to abuse by foreign vessels.

Greater exchange of information on agreements would benefit Solomon Islands in dealing with distant water fishing interests (Gillet, Preston & Walton, 2008). At the moment there is lack of it and this has lead to corruption. Lack of disclosure of licensing arrangements and other instruments may make detection of illegal fishing difficult. There is also a general lack of integration between Government Departments who are responsible for implementing policies and work plans.

One of the major issues as well is poor Infrastructure. There is a great need to build infrastructure to cater for the development of the Tuna Industry in Solomon Islands. This will include ships, processing plants, fisheries centers, efficient seaports and airports to facilitate the industry and its products reach international markets.

3.0 Methodology

Data on the Tuna fishing industry was collected primarily from the Ministry of Fisheries and Marine resources and the Central Bank of the Solomon Islands. The statistics were analysed to determine the value of the Fishing industry to the Solomon Island economy and how much revenue the Solomon Island Government receives from the industry year on year. It was evident from this analysis that the Solomon Islands received very little revenue even though this is a Billion Dollar Industry. Given these findings, information on current Tuna Fishing policies was sought via interviews with the Fisheries Ministry in Ranadi, Ministry of Development, Planning and Aid Coordination, Ministry of Education and Human Resources and Ministry of Foreign Affairs and External Trade. Once obtained these were analysed to determine its feasibility and relevance to Job creation in the Solomon Islands. Based on these policies, recommendations and action plans were developed with the view toward addressing the current issues and creating Jobs in the Tuna Industry.

4.0 Research Data Collected

The tuna industry in the Solomon Islands has grown into a 140Million (Solomon Dollars ~1.0B) US Dollar Business and as of 2008 represented 18% of Nominal GDP. However, it is also apparent that the percentage earning contribution of Tuna Industry towards the nominal GDP is consistently declining over the years due to large increases in other sectors such as mining and logging.

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominal GDP (in US$m)</td>
<td>276.27</td>
<td>309.30</td>
<td>361.15</td>
<td>428.47</td>
<td>513.12</td>
<td>545.94</td>
<td>589.81</td>
<td>766.34</td>
</tr>
<tr>
<td>Fishing(US$M)</td>
<td>115.5</td>
<td>104.4</td>
<td>130.6</td>
<td>116.5</td>
<td>122.1</td>
<td>117.4</td>
<td>128.0</td>
<td>140.4</td>
</tr>
<tr>
<td>% of Fishing to GDP</td>
<td>42%</td>
<td>34%</td>
<td>36%</td>
<td>27%</td>
<td>24%</td>
<td>21%</td>
<td>22%</td>
<td>18%</td>
</tr>
</tbody>
</table>
Fishing in 2011 jumped by 10% due to better catches to record its highest ever volume at 1.042B i.e. Tuna sold in overseas markets and onshore to SOLTAI. In comparison the Solomon Island Government (SIG) only received a fraction of the total revenue earning a mere 19.7 Million in 2011. On average the SIG received 2.24% (SBD 20.33M) of total revenue from 2004 to 2011. Revenue is collected through Permit Fees, Activation Fees, Observer Fees, and Access Fees & Fines.

<table>
<thead>
<tr>
<th>Year</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fishing (SBD Millions)</td>
<td>857.3</td>
<td>775.2</td>
<td>969.2</td>
<td>864.6</td>
<td>906.5</td>
<td>871.2</td>
<td>950.2</td>
<td>1042.2</td>
</tr>
<tr>
<td>$(M) Received by SIG</td>
<td>9.668</td>
<td>11.923</td>
<td>11.554</td>
<td>11.319</td>
<td>14.885</td>
<td>46.332</td>
<td>37.232</td>
<td>19.729</td>
</tr>
</tbody>
</table>

Tuna catch in the Solomon Islands consists mainly of Skip Jack, Yellow Fin, Big Eye, Albacore and others. Total catch between the period 2002 to 2008 increased by 600% to 92,868 Metric Tons, and of this only 10,972 MT (~11.8%) was caught by domestic vessels as indicated by the Table and Chart below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic Catch (MT)</th>
<th>Foreign Vessel Catch (MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>9,311.00</td>
<td>3,885.00</td>
</tr>
<tr>
<td>2001</td>
<td>12,155.00</td>
<td>11,147.00</td>
</tr>
<tr>
<td>2002</td>
<td>11,729.00</td>
<td>5,566.00</td>
</tr>
<tr>
<td>2003</td>
<td>26,461.00</td>
<td>36,092.00</td>
</tr>
<tr>
<td>2004</td>
<td>25,148.00</td>
<td>76,226.00</td>
</tr>
<tr>
<td>2005</td>
<td>20,168.00</td>
<td>77,862.00</td>
</tr>
<tr>
<td>2006</td>
<td>29,615.00</td>
<td>61,915.00</td>
</tr>
<tr>
<td>2007</td>
<td>19,692.00</td>
<td>64,711.00</td>
</tr>
<tr>
<td>2008</td>
<td>10,972.00</td>
<td>81,896.00</td>
</tr>
</tbody>
</table>
There are currently only five Tuna fishing companies in the Solomon Islands.

National Fisheries Development Limited is the largest owned by Tri Marine Group from the United States. They employ 300 Locals (250 on boats and 50 on the ground) and 9 Foreigners. The company does not have an on shore facility which the majority of the catch exported to the United States and locally to SOLTAI on the Island of Noro.

SOLTAI is currently the only Tuna processing facility in the Solomon Islands and employs 1300 locals. According to the current General Manager Thomas Dorku, the company is hoping to move to 2000 employees once it reaches full capacity. SOLTAI is jointly owned by Tri Marine Group (51%) and the Solomon Islands National Provident Fund.

Western Solomon Fishing Venture has 6 boats which comprise of 2 Purseiners and 4 light boats (scout boats). The company employs 72 Foreigners and 5 Locals and according to Renante (Chief Financial Controller) they have plans to put up processing facilities in Solomon Islands. The cause of the delay in implementing this plan is the difficulty of securing lands for its site.

Southern Seas Investment Co Ltd is a fish processing company and has been setup in the Solomon Islands since 2002. Company first established in Noro in Western Province in 2002 and then move to Tulagi in 2004 and then three years later (2007) move back again to Noro. Now the company is setting up its head quarter in Honiara. The company has its representation in almost all Pacific Countries like Vanuatu, Samoa, Cook Islands, Tuvalu, Federate State of Micronesia (FSM) and Fiji. Fiji is used to be the head quarters for the Southern Seas Investment Group of Companies for the South Pacific region. Southern Seas Investment Co Ltd is trading in Fiji under the name Yuh Yoh Company. Tri-Marine International is also a sister company of Southern Seas Investment Co Ltd. The company is currently still on the construction stage for its Honiara branch and construction is progressing well on the jetty and the fish processing facility. The company is also in its setting up stage and currently employs only 6 local employees and close to 60 foreigners (Taiwanese) and once in full operation the company will recruit more employees. There are no local employees on the company owned boats. The company currently has 13 to 18 boats in the Solomon’s water with 40 licences so far in the Pacific region. Southern Seas Investment Co Ltd has its parent company (Global Investment Company) in Taiwan.
Don Wong is a company from China that has yet to set up in the Solomon Islands. We were not able to obtain any further information on this company from the Ministry.

6.0 Current Policies

6.1 Policy 1

The Solomon Island government will facilitate the establishment of fisheries marketing infrastructure by bringing in fish from strategic locations throughout the Solomon Islands to the capital, Honiara. A specially designed fishing vessel will provide the transportation of the fish from these strategically located areas to Honiara for value adding through packing and air freighting to specific target markets.

With the help of NZAid, SPC, FFA, MFMR and MSSIF, who will act as the service providers/donors, the Solomon Island Government is looking at reviewing the existing fisheries marketing infrastructure and facilities; with the view toward ascertaining future activities by assessing the performance of the current fishery centers. Through this assessment, marketing strategies can be developed and implemented for inshore fisheries. The assessment can also be used to create a database for marketing and trade. This will require an externally funded consultancy that can be supported by the service providers and the donors.

6.2 Policy 2

The Solomon Island Government will progress work on establishing Fishing and fish processing canneries at Suava Bay, Malaita and at Tenaru on Guadalcanal and explore the possibility of requiring Solomon Islands licensed fishing boats to supply a certain percentage of their catches to the local cannery. Aided by MFMR, MSSIF and funded by NZAID.

6.3 Policy 3

Progress the development of SIG/Korea Wantok project in Doma (Guadalcanal) which involves the building of a cannery. The project is currently underway funded by South Korea and NZAID with land already secured.

6.4 Policy 4

The Solomon Island Government intends to revise and update the current Tuna Management and Development Plan; develop a national Tuna Investment Policy and Develop a Fisheries sector wide Master plan for investment.

6.5 Policy 5

The Government will review the conditions of access licenses granted to deep sea fishing companies with the view to setting a time frame within which they must establish shore based facilities in the Solomon Islands and Ensure that proper policies are put in place to oversee the commercial Activities taking place within this sector such that vigilant surveillance of the EEZ and optimum returns from Solomon Islands marine resources are realized. Review Fisheries legislation including the following approved and gazette:

- Fisheries Act 2011;
- Fisheries Regulations (penalties) amended;
- Fisheries Regulations (fees) amended
The proposed review and amendments will be funded by the New Zealand Government with technical expertise provided by the South Pacific Commission and Forum Fisheries Authority based in the Solomon Islands.

6.6 Policy 6

Continued assistance is required for local fishermen with adequate resources as part of government's effort to involve the local people in the development of the fisheries industry. The Government intends to develop a National Fisheries Educational and training Strategy, addressing but not limited to the following:

- Partnership with SICHE to promote learning in fisheries sciences;
- Partnership with industry stakeholders and regional and international institutions to build capacity of Solomon Islanders wishing to undertake industry-related specialized skilled trainings;
- Build fisheries capacity of local fishers in “Start Your Fisheries Business” (SYFB) and other fisheries related training programs.

The current policies and those under review are in line with our views that the establishment of on shore fisheries will lead to greater employment in the Solomon Islands and that a review of the current Fisheries Act is long overdue. As such our recommendations are based on Policy 1 and 2 which we believe would provide the greatest economic benefits.

7.0 Solutions and Recommendations

7.1 Realign Strategic Objectives of Policies

The Solomon Island Government should concentrate their efforts towards facilitating sustainable fisheries investments, Improve Economic Performance of Tuna Fisheries, achieve greater benefits for local people through provisions of set incentives to stimulate the development of the domestic industry in order to provide as many Skilled and unskilled Jobs as possible for Solomon Islanders. They also need to link Industrial Scale tuna fishing and processing and small Scale Community Fishing through appropriate infrastructure and Promote Private Sector Led (including SME’s) on Shore processing projects in the Solomon Islands with a view towards reducing the Export of Unprocessed Tuna.

We recommend that the following projects are immediately expedited:

7.2 Actions Required Under this Strategy

a. Immediately review existing fisheries marketing facilities/infrastructure and assess current performance of fishery centers (storage centers) to ascertain future activities

b. Develop a national marketing and trade strategy for inshore fisheries.

c. Immediately review Inter-island Shipping arrangements and recommend ways of efficient fisheries product flows from Villages to Honiara e.g. partnership agreements with Private Sector.

The government will facilitate the building of fisheries marketing infrastructure and a network directly connecting fishermen in the rural areas with a Tuna Processing set up in Honiara. A specifically designed vessel will be provided to bring in the fish from the fishing centers in strategic locations throughout the country (Western Province, Malaita Province, Guadalcanal Province and Makira) to
Honiara for packing and air freighting to target Markets Overseas. This will be funded by European Aid, NZAid and AUSAID

*Figure 1* in the appendix describes how this will work. A total of 744 Jobs is expected to be created as a result of this venture. We propose that the management of the vessel that brings in Tuna from the Provinces be outsourced to a private company through a partnership agreement with the Government. This will enable the Government to have a degree of control over the vessel while at the same time they do not have to get involved in the day to day operations.

The second proposal and one that has been long talked about is the Establishment of fishing and Fish processing Companies (Loining Factories) at Suava Bay, Malaita, and Tenaru in Guadalcanal. This would also include an Agreement for Solomon Islands Licensed fishing Boats to supply a certain percentage of catches to the local Cannery. Funded by NZAid and SIG with Technical Assistance from FFA.

Actions required under this Policy require a review of the conditions of access licenses granted to deep sea fishing companies with a view to setting a time frame within which they must establish shore based facilities in the Solomon Islands. Also requires review of Current fisheries Regulations and Development of national Fishing compliance Strategy and an agreement (MOU) signed with Tuna Factories for Solomon Island Fishermen to supply tuna to Canneries. The Ministry of Fisheries and Marine Resources will need to assist local fishermen with adequate resources to involve local people in development of the fishery industry.

Refer to Figure 2 in the appendix for a visual demonstration of how this strategy will work. Using the current SOLTAI operation on Noro as a benchmark we estimate that a total of 7760 Jobs will be created once the factories are established. This also includes the spin off effects and the local crew on Fishing Boats that will supply these factories.

### 8.0 Develop Institutional Framework

Before the Institutional Framework can be developed a number of areas need to be reviewed first by the Solomon Island Government. These include: A Review of the Education Policy with greater allocation/alignment and emphasis to priority sectors of the economy. A review of tax Incentives for companies that want to start onshore processing facilities and an urgent review of licensing fees for foreign vessels with a view towards increasing these fees for companies that only export unprocessed Tuna. To address the shortage of qualified marine personnel a review of scholarships for the Marine Sector needs to be conducted with a view towards increasing scholarships for Fishing Masters, Engineers and Captains required. As a result the SIG needs to review Allocation of Budget to Fisheries Sector (with tight Controls) for development, education, fishing gear for Rural Fishermen. We do not agree with the perception that Foreign Aid is bad for the Solomon Islands and that the SIG has very little control over these funds but. What is needed here is an urgent review of the system to direct AID from Donor partners to Key Development Strategies i.e. establishment of onshore processing facilities. Therefore it is more an issue of alignment rather than control. A review of the Fisheries Act is ultimately required to align regulations and legislation to the strategies outlined in this paper.

The implementation of these policies cannot take place without changes and amendments to a number of Government Acts. It is important to note that the changes to the Fisheries Act 1998 cannot happen in isolation.

### 9.0 Policy Instruments

#### 9.1 Regulatory Instruments
Amend Fisheries Act 1998 to increase incentives to encourage investment in Onshore processing Facilities. Solomon Islands Tuna Industry Investment Strategy (Public Discussion Paper 2011). Provision of sufficient licenses to support the processing plant, 2 purse seine and 5 long line at start up with the remaining licenses provided when construction of processing infrastructure is 75% complete. Preference for License and vessel days will be shown to those operators whose vessels are flagged in the Solomon Islands. Amend Foreign Investment ACT 2005 to provide for the Provision of up to 100% ownership by Foreign Investors who want to establish Processing Facilities and requirement for all foreign Vessels to Employ Local crew at least 50% and requirements for all revenue from Fish sold in the overseas market to be brought on shore 100%. Amend Customs and Excise ACT 2002 and Goods TAX Act 1998 to allow for Goods TAX and Import Free Exemptions to reduce cost of operation in the Solomon Islands and Exemption of export Duty for processed Tuna Products only. Amend Income Tax Act 2007 to allow for exemptions from Income Tax for a period of 5 years for new Investors that set up processing facilities.

9.2 Economic Instruments

In an effort to increase local participation in the Tuna Industry we propose that the SIG provide Subsidies to locals in the form of rebates for fuel purchases for fishermen and fishing gear purchased. Open dialogue with the education stakeholders to address the urgent need for Marine Skilled workers. This will require commitment from SICHE, USP, FFA and SPC. For the Government to provide Grants to local Fishermen i.e. upfront payments to rural fishermen for purchases of Fishing Gear or local fishing companies. Increase Fees for Foreign Vessels such as access fees to direct and promote sustainable fishing practices. The Government can also provide Environmental Subsidies such as TAX credits for sustainable fishing practices that are environmentally friendly.

10.0 Conclusion

If both policies are implemented a total of 8504 Jobs will be created. In order for this to work it will require Involvement and Commitment from all stakeholders in particular SIG, Donors and Provincial Governments. The Consultation process has to be transparent and require sign off from all Ministries and provincial governments with Donor commitment and Feasibility (Technical, Profitability, and
Funding) confirmed first before commencement. The Solomon Island Government (SIG) through the Ministry of Fisheries and Marine Resources should immediately start consultations with foreign vessels on proposed changes to Legislations and requirement to employ locals on their fishing Vessels. This has the potential to generate more Jobs but technical skills need to be assessed first hence the importance of integrating Fisheries Training courses in the Curriculum of the Solomon Islands(Refer Figure 3 in Appendix). The SIG should immediately increase License Fees for Foreign Vessels who export unprocessed tuna to increase pressure on foreign companies to establish on shore Tuna processing factories and employ locals. After speaking to the Fisheries Ministry and other stakeholders we found that Tuna Management and Development plans were written by Consultants which are not fully understood by local counterparts so when they leave implementation becomes a major problem. It is therefore imperative that the Provincial Governments and the current stakeholders are involved every step of the way so that all are informed and know what needs to be done.
Financial Inclusion

AUSAID $$$

NZAID $$$

Outsourced/Partnership with Government

Banking Services

Western Province Storage 105 Jobs

Malaita Province Storage 147 Jobs

Guadalcanal Province Storage 147 Jobs

Malirra Province Storage 105 Jobs

Honiara Processing Center (200 Jobs)

Overseas Markets

JOB CREATED BY THIS POLICY:
Direct Employment: 704
Indirect Employment: 40

Appendix

Figure 1
Figure 2

Proposed New Canneries

- Suava Bay (2000); 300 Indirect
- TENARU (2000); 300 Indirect
- DOMA (2000); 300 Indirect

TAX INCENTIVES TO FOREIGN INVESTORS

- Foreign Vessels in Solomon Waters
- SPC
- NZAID $$$
- FFA
- AUSAID $$$

Foreign Vessels (Suava Bay, 2000): 300
Indirect
TENARU (2000): 300
Indirect
DOMA (2000): 300
Indirect

CREWS (40 x 9 = 360)
FISHERMEN (500)

TRAINING/CAPACITY BUILDG. FOR LABOUR FORCE

TOTAL NO. OF JOBS: 7,760
<table>
<thead>
<tr>
<th>TRAINING FOR GENERIC SKILLS</th>
<th>TRAINING FOR TECHNICAL SKILLS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management (Human Resource)</td>
<td>Financial Management</td>
</tr>
<tr>
<td>Administration</td>
<td>First Aid Training</td>
</tr>
<tr>
<td>Communication</td>
<td>Fishering Master Training</td>
</tr>
<tr>
<td>Monitoring</td>
<td>Fishing Techniques</td>
</tr>
<tr>
<td>Evaluation</td>
<td>Ship Maintenance</td>
</tr>
<tr>
<td>Policy Analysis</td>
<td>Training of Captains and ships crew</td>
</tr>
<tr>
<td>Strategic Planning</td>
<td>Truck Drivers</td>
</tr>
<tr>
<td>Report Writing</td>
<td>OBM Drivers and maintenance staff</td>
</tr>
<tr>
<td>Supervision</td>
<td>Engineers</td>
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<table>
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<tr>
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<tr>
<td>SICHE</td>
<td>School Of Marine &amp; Fisheries</td>
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<td>IPAM</td>
<td>Overseas Institutions</td>
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<td>USP Centre</td>
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<tr>
<th>TRAINING FUNDERS:</th>
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<tr>
<td>SIG</td>
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<tr>
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### Work Plan - Implementation, Monitoring & Evaluation

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>WHO IS RESPONSIBLE</th>
<th>TIMEFRAME</th>
<th>FUNDING ASSISTANTS</th>
<th>PERFORMANCE INDICATORS</th>
<th>MONITORING &amp; EVALUATION</th>
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</thead>
<tbody>
<tr>
<td>Amend Acts and regulations/Feasibility Analysis</td>
<td>Ministry of Fisheries and Marine Resources (MF&amp;MR)/ SIG</td>
<td>2012</td>
<td>SIG &amp; NZAid</td>
<td>Acts and relevant regulations amended</td>
<td>External TA</td>
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<td>Purchasing of Fishing vessels</td>
<td>MF&amp;MR</td>
<td>2012 - 2013</td>
<td>NZAid &amp; SIG</td>
<td>9 vessels purchased</td>
<td>External TA &amp; SIG Advisory Council</td>
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<td>Set up onshore cold room facilities in 4 Provinces</td>
<td>MF&amp;MR &amp; Provincial Governments</td>
<td>2012 - 2013</td>
<td>EU, AusAid, NZAid &amp; Israeli Funds (For Malaita only)</td>
<td>Onshore facilities set up in 4 Provinces</td>
<td>External TA</td>
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<tr>
<td>Purchase of specially designed cargo vessels to transport tuna from storage provinces to Honiara for packaging</td>
<td>MF&amp;MR</td>
<td>2012 - 2013</td>
<td>AusAid, NZAid &amp; Provincial Governments</td>
<td>Specifically designed vessels purchased and operated</td>
<td>Quality Assurance by External TA</td>
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<td>ACTIVITIES</td>
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<td>FUNDING ASSISTANTS</td>
<td>PERFORMANCE INDICATORS</td>
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<tr>
<td>Set up Honiara processing Centre</td>
<td>Outsource building of facilities to Private Companies</td>
<td>2012 - 2013</td>
<td>Approach NZAid, EU &amp; AusAid</td>
<td>Facilities in Honiara set up and operational</td>
<td>Quality Assurance by External TA</td>
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<td>Evaluation</td>
<td>External TA</td>
<td>Commence when Projects are Complete</td>
<td>Approach NZAid, EU &amp; AusAid</td>
<td>Complete Analysis and Present conclusions to Stakeholders/ Lessons for New Projects</td>
<td>N/A</td>
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References


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1 Recognition to MBA students in Solomon Islands class 2012, South Pacific Business Environment for the honest, frank and thoughtful critiques, analysis and useful insights that has led to this paper.