



Solomon Islands Chamber of Commerce and Industries (SICCI) Infrastructure Symposium

Infrastructure Development: Prioritizing Local Content for road to economy recovery

Opening Remarks by Hon. Manasseh Sogavare

Prime Minister of Solomon Islands

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Forum Fisheries Agencies Conference Room

Salutations

Minister of the Crown;

Members of Parliament;

The Chairman, Board and Chief Executive Officer of Solomon Islands Chamber of Commerce and Industries;

Heads of missions and members of the diplomatic corps;

Representatives of the Development Partners & Agencies

State Owned Enterprises;

Permanent Secretaries;

Private sector and business houses;

Civil societies Organisations and Non-government organisations;

Distinguished guests;

Ladies and gentlemen;

Introduction

Good morning true lo u fala everyone.

I am humbled and honoured to be invited here today to give the keynote address to open this Infrastructure Symposium. The theme of this symposium, **“Infrastructure Development: Prioritising local content for road to recovery”** is a very interesting theme. I say this because first of all the government does not have a specific policy on local content or involvement component for infrastructure development *per se*. I suppose one of the objectives of this symposium is, whether the government should develop a policy on local content? Or to be more precise, a local content policy on infrastructure. I hope this is a question that will be discussed and answered during this symposium.

But what exactly is ‘local content’? I guess this is another question that needs to be answered during this symposium as well. However, from the outset, I believe we can all agree that there is no universally accepted definition of ‘local content’. The economic status and stage of development of each country plays a major part of what constitutes local content for each country. I believe the peculiar micro and macro-economic conditions of each country determines what local content is for that specific country.

Ladies and gentlemen, the Organisation for Economic Co-operation and Development (OECD) states that local content (I quote), ***“is generally understood to be the local resources a project or business utilises or develops along its value chain while investing in a host country. This may include employment or inputs, goods and services procured from local sources, locally hired workforces, operations carried out in partnership with local entities, development of enabling infrastructure, the improvement of domestic capacity, or the improvement of local content capabilities.”*** (End quote)

For our purposes, this definition should give us the point of departure in our discussion during this symposium. There are other questions that come to mind when we talk about local content. For example, are we talking about a local content policy? Or are we talking about local content requirement? Do these two things mean the same thing? If not, then how is a local content policy different from a local content requirement? I will leave these questions for you to discuss and answer.

Infrastructure development and policy priorities

Ladies and gentlemen, I think we are all in agreement that infrastructure plays and will continue to play the most significant role in developing our country. The government has recognised the importance of infrastructure development which is stipulated

in the National Development Strategy Objective 1: Sustained and inclusive economic growth, and under the Medium Term Strategy 3: Expand and upgrade weather resilient infrastructure and utilities focused on access to productive resources and markets and to essential services. The Government redirection policy also prioritise infrastructure as an important component in keeping our economy afloat and ensuring a resilient economic recovery post COVID-19.

I recognize that our need for reliable, effective and high quality infrastructure is magnified by the undeniable challenge of our geography. This is made all the more challenging by our susceptibility to natural disasters and climate change. However, what is irrefutable is that our economy cannot accelerate or reach even half its potential with the existing infrastructure that we have, and this must be addressed aggressively by all of us.

Infrastructure Development for Solomon Islands

Infrastructure development is important for economic development and recovery in any country, and this is also true for Solomon Islands. Infrastructure development does not only enhance connectivity but it also plays a fundamental role in trade facilitation. It is also a catalyst for development and is an enabler for faster and inclusive growth which leads to poverty alleviation and improving standards of living.

Development in transport infrastructure also impacts productivity significantly and accelerates growth. It generates employment opportunities, contributes to tourism and domestic market development.

Ladies and gentlemen, infrastructure forms the basis of building resilient societies and sustainable development. Infrastructure designs and investments made now will affect how Solomon Islands responds to challenges such as COVID-19 pandemic, climate change and building inclusive and resilient societies.

Infrastructure will play an important role in post pandemic recovery efforts due to its multiplier effects. In the same vein, infrastructure projects are pivotal because it helps facilitate the provision of essential services such as water, sanitation, health care and education post COVID-19.

Thus, the government remains committed to infrastructure development in Solomon Islands and will continue supporting the infrastructure development initiatives that are undertaken by our various development partners and implementing agencies, especially during this global pandemic.

Local Content in Infrastructure Development

That said, the intention to having local content in infrastructure development is also another positive step in infrastructure development in the country. Around the globe there is an increasing trend in local content requirements imposed by governments in the effort to improve employment and industrial performance domestically. Local content can result in job creation, increase use of domestic resources supporting local industries and positive spill over impacts to the overall economy as it emphasizes on the use of domestic goods and supply services amongst other measures.

Therefore, the intent to prioritise local content in infrastructure development in Solomon Islands is not only important but very timely as well given the impacts faced by the economy due to the global pandemic. Looking forward, we must also bear in mind the urgent need to focus on the recovery of our economy to ensure that a we have vibrant economy that can adequately support our people and country in the next 2 to 5 years.

The private sector is expected to play a key role in infrastructure development. Private investment is expected to take advantage of opportunities arising in developments in ICT and digital infrastructures as well as increased trade opportunities in the medium to long term as a result of increased and better connectivity and also improved supply chains.

That said, I would like to reiterate that whatever outcome is reached from this Infrastructure Symposium, we must also consider the downsides of local content as well. The short term impacts of local content policy and local content requirement must be carefully thought through and balanced against its long term impact on the infrastructure industry and the economy as a whole.

I understand that SICCI has done a consultation with businesses from the building and construction industry from 26th May to 4th June 2021 and that common themes and issues were raised. I expect these issues to be thoroughly discussed during this two-day workshop by both the public and private sector, and most importantly our donor partners. I make specific mention of our donor partners because most of these huge infrastructure development is funded by them.

Conclusion

To conclude I want to reiterate that infrastructure is an important enabler of sustainable and inclusive development. Prioritising local content in infrastructure allows us to maximise the benefits to the local economy and our people. Strengthening the processes, systems and requirements that will allow for local content to thrive is vital. I must emphasize here that the process of crafting a local content policy is just as important as the policy itself. This symposium is the first and right step in this process.

On that note, I want to thank SICCI for taking the initiative in organizing this symposium. The relationship between the government and SICCI is a partnership that is based on respect, understanding and mutual interests, and DCGA sees itself as a genuine partner and is committed to working together with SICCI. We may not always see eye to eye, but what is important is that we have this partnership which allows us to create a space where we can discuss solutions to address our common interests and that of our beloved country.

This is the right approach that any organization should take if it wants to influence government policy. It is through inclusive and participatory discussion that we can collectively develop policies that can help our country. I am very pleased to see that this relationship has grown from strength to strength since we first entered into this partnership in 2017.

It is unfortunate that there are some organizations who continue to criticize the government without providing solutions. I encourage these organizations to engage with the government to work together as partners in serving our people.

SICCI is a shining example of how a partnership can be nurtured with the government to serve our people and country.

On that note, I want to also register the government deep appreciation for what SICCI has done to promote the government's vaccination roll out campaign in its fight against COVID-19. Thank you SICCI.

Ladies and gentlemen, I wish you all a constructive discussion in the next two days. The government looks forward to the outcome of this symposium and will continue to work closely with SICCI.

Thank you all for listening.

May God Bless us all and May God Bless Solomon Islands from shore to shore.