

# Solomon Islands

The Pacific Agreement on Closer Economic Relations Plus (PACER Plus) is a landmark trade and development agreement that aims to create jobs, raise standards of living and encourage sustainable economic development in the Pacific region.

## What is the purpose of the agreement?

PACER Plus aims to strengthen economic growth prospects of the Forum Island Countries through:

- Targeted capacity building and strengthening export capabilities
- Improving access opportunities for doing business in the region
- Increasing the attractiveness of the region for trade and investment

## Who are the partners to the agreement?

Eleven Pacific Island Forum countries are signatories to the agreement: Australia, Cook Islands, Kiribati, Nauru, New Zealand, Niue, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. All Pacific Island Forum members are encouraged to join in the future.

## Why is the agreement important to the Solomon Islands?

PACER Plus provides a valuable opportunity to deepen regional trade and economic integration in the Pacific, increasing regional trade, investment and labour flows and thereby growing the private sector, creating jobs and raising standards of living in the Pacific.

## Labour Mobility Initiative

Alongside PACER Plus, the Parties concluded a Labour Mobility Arrangement (LMA) which provides a new platform for enhanced dialogue and regional cooperation on labour mobility. Australia and New Zealand have committed to funding an annual regional



meeting on Pacific Labour Mobility (the 'PLMAM'), which will become the principal forum for advancing regional labour mobility initiatives including:

- Building institutional capacity of agencies that manage labour mobility
- Promoting and improving current visa categories to facilitate greater circulation of temporary workers
- Tertiary vocational education and training; and
- Recognition of qualifications and registration of occupations
- Discussion of regional labour mobility priorities such as enhancing existing initiatives and exploring options for new areas of cooperation

The annual PLMAM meeting will provide an opportunity for Solomon Islands to address topics of interest and new labour mobility initiatives. NZ will host the next PLMAM in late 2019.

## Benefits to the Solomon Islands

- New Zealand and Australia are offering over \$33 million in development and economic cooperation assistance for Pacific Island signatories
- Support Pacific workers to access temporary employment in New Zealand and Australia in industries that face labour shortages.
- Access to higher quality imported goods
- Attract investment and driving growth in key sectors such as tourism, transport and infrastructure.
- A new \$10 million Pacific Business Hub to grow and improve small and medium enterprises in the region and improve their market-readiness
- Solomon Islands has been identified as a priority country for New Zealand's new labour mobility initiatives, should they be expanded beyond the pilot stage.
- Solomon Islands also benefits from the Pacific Horticultural and Agricultural Market Access (PHAMA) programme which has received increased funding to extend the programme as part of the package of support for PACER Plus
- Reduce tariffs and red tape for exporters and investors
- Increased regional trade and investment facilitation
- Solomon Islands is one of the first countries to receive support under the new tourism market research and development initiative that will deliver tools for capturing tourism data, enabling improved design and investment in tourism initiatives
- Commitments to affording protections to foreign investments will signal to investors that the Pacific economies are sound and stable environments to do business
- New Zealand and Australia have committed to invest 20% of its total Official Development Assistance in 'Aid for Trade' to support Forum Island Countries build their capacity to trade and attract investors

