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TRADE POLICY REVIEW

REPORT BY THE SECRETARIAT

SOLOMON ISLANDS

This report, prepared for the Fourth Trade Policy Review of Solomon Islands, has been drawn up by the WTO Secretariat on its own responsibility. The Secretariat has, as required by the Agreement establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), sought clarification from Solomon Islands on its trade policies and practices.

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SUMMARY

1. Solomon Islands, a small island developing state, is endowed with abundant natural resources, including forestry, fishery, minerals like gold, nickel, and bauxite, as well as other agricultural products such as copra, palm oil, and cocoa. It is classified as a least developed country (LDC), with an economy primarily driven by agriculture and services, with agriculture supporting the livelihoods of approximately 80% of the population. Despite its resource wealth, the country faces challenges such as weak infrastructure and inadequate regulatory frameworks, which limit investment flows and hinder its economic potential. Its small size, large exposure to the effects of climate change, and dispersed topography further exacerbate economic and environmental vulnerabilities, making it difficult to achieve economies of scale.

2. This notwithstanding, to a certain extent, the country is now reaping the benefits of past economic reforms, including sound macroeconomic management and a more efficient trade regime. These reforms have been instrumental in driving significant improvements in income per capita and social indicators over recent decades. As a result, at the Committee for Development Policy in the United Nations in 2018, Solomon Islands was designated for graduation from LDC status in 2027 following a transition period. The authorities aim to sustain the country's economic and social development through the implementation of the National Development Strategy.

3. Structural impediments hinder the continuity of economic progress in Solomon Islands, while frequent external shocks that occurred during the review period (2016-24) added further strain. Although fisheries and construction activities supported output growth, these gains were offset by external factors, including COVID-19's impact on export demand and the war in Ukraine and its inflationary effect on energy prices. GDP contracted by 3.4% in 2020, but the resumption of gold exports and significant public investments for the Pacific Games were projected to have driven a 4% GDP growth rate in 2023.

4. Trade remains a crucial driver of development for Solomon Islands, with exports and imports together comprising 87% of GDP in 2023. However, this figure has been fluctuating and showing a downward trend since the previous review. Exports are heavily reliant on a few key items, notably fishery products and round logs, while imports include a wide variety of essential goods, such as equipment and food products. However, the country faces structural challenges and regulatory gaps that tend to confine it to lower levels of global value chains, focusing primarily on basic and less value-added activities. Solomon Islands' primarily exports to China and the European Union, while its main import sources are China, Singapore, and Australia. Over the review period, Solomon Islands has taken legislative reforms to combat corruption; and has seen an improvement in its corruption perceptions rankings.

5. Solomon Islands closed its permanent mission in Geneva in 2020 and it has not reopened; this has severely hampered its ability to participate in WTO activities and negotiations. Solomon Islands accepted the 2014 Protocol concerning the Trade Facilitation Agreement in April 2022 and by mid 2024, Solomon Islands had implemented 42.4% of its commitments; the deadline for full implementation is 2050. It is a party to the Investment Facilitation for Development Agreement. It has not ratified the Agreement on Fisheries Subsidies. Over the review period, Solomon Islands submitted to the WTO notifications on trade facilitation, regional trade agreements, customs valuation, preferential rules of origin and trade remedies. However, notifications are pending in variety of areas.

6. Solomon Islands is party to five regional trade agreements (RTAs), three of which it acceded to over the review period, namely the EU-Pacific Interim Economic Partnership Agreement (EPA); the Interim EPA between the United Kingdom and Pacific States; and the Pacific Agreement on Closer Economic Relations Plus (PACER Plus) with Australia, New Zealand and other Pacific nations. Agreements with the EU and the UK cover goods only, while the PACER Plus RTA covers goods, services as well as areas such as labour mobility, investment, and development and economic cooperation. For each of these three agreements, tariff liberalization for Solomon Islands has not yet commenced.

7. Solomon Islands maintains a list of activities "reserved" for citizens; over the review period this list was extended, inter alia, to gathering of natural products to create herbal medicines, fishing for domestic consumption; certain small-scale accommodation services; local bird sanctuaries and

marine aquarium zoos; hair and beauty product distribution and salon services; driving school services and wholesale and retail trading of second-hand clothes. Foreign investment in Solomon Islands may be affected by the restrictions on land ownership.

8. During the review period, customs laws and institutions did not change. A Customs Reform, Modernization and Capacity Building Strategy 2023-27 was developed, and the authorities were redrafting the Customs and Excise Act. During the same period, physical inspection of import consignments was on a decreasing trend, with nearly 40% of consignments being immediately released (with or without pre-clearance audit) in the first half of 2024, compared with around 5% in 2016.

9. Solomon Islands remains dependent on customs duties and export taxes for government revenue; together these accounted for 23% of the total tax revenue in 2023. Solomon Islands' average MFN tariff rate, including ad valorem equivalents (AVEs) of specific rates, was 13.5% in 2024, compared with 11.1% in 2015. This increase was largely due to an increase in the number of specific duties from 94 to 177; several specific rates have AVEs with the highest tariff rates. Higher levels of protection are accorded to agricultural products (WTO definition), at the average of 36.8%, than non-agricultural products (9.2%). Products subject to the highest tariff rates are beverages and tobacco, cereals and food preparations, and certain chemicals. For 60 tariff lines, largely relating to alcoholic beverages and fuels, applied MFN rates exceeded their corresponding bound rates. An additional 45 tariff lines may exceed bindings since some lines are bound as ad valorem rates, while the MFN rate is specific (or vice versa) and in other cases the unit values are different.

10. As at the time of Solomon Islands' previous Review, the only charge on imports other than customs duties is the goods tax. This tax continues to be higher for imported goods, at 15%, compared to 10% for domestically produced goods. A new rate of 5% was introduced specifically for rice in 2019. According to the authorities the planned introduction of the VAT and planned simultaneous abolition of the goods tax will resolve this issue of discrimination.

11. In September 2023, the Government introduced a ban on the importation of single use plastic products. The manufacture and distribution of single-use plastic products and the sale and supply to retail outlets of single-use plastic products was prohibited from 1 March 2024. New import and export licensing requirements were introduced on refrigerant gases to implement Solomon Islands' commitments under the Montreal Protocol (in 2023) and certain wildlife specimens, under the CITES Convention (in 2017).

12. Solomon Islands has notified the WTO that it does not have any safeguard, anti dumping or countervailing duty legislation.

13. Export duties apply to certain live animals; fish and fish products; ivory and turtle or tortoise shell; corals and shells; rattan; gold, silver and other precious metal ores and concentrates, gold and silver products; crocodile skin; round logs, other wood products; and waste and scrap from iron, steel, copper, and aluminium. In total, these apply to 290 tariff lines at the HS 8-digit level. Over the review period, the value of export duties collected peaked in 2018 (at nearly SBD 800 million); it progressively declined to just over SBD 300 million in 2023. Export duties on logs accounted for between 96.3% to 99.4% of the value of export tax revenue between 2016 and 2023.

14. In 2020, the Marketing and Exports Promotion Division introduced a freight subsidy for exporters who have a contract with a buyer overseas; it covers 100% of the cost of the freight. An Export Credit Facility introduced in 2021 provides working capital for exporters in certain sectors, including for buying equipment and export-related expenses.

15. Statutory tax exemptions are in place to, inter alia, provide customs duty relief for raw materials, other inputs and equipment used for manufacturing, certain capital equipment, and goods used for packaging of local products. Non-statutory tax exemptions (for customs and excise duties, income tax, goods tax, sales tax) are also provided on a case by case by the Minister of Finance and Treasury. Applications for exemptions are assessed for their economic benefit and whether the project/investment/transaction would further the national interest. New schemes to support business introduced over the review period include: a micro-, small- and medium-sized enterprise (MSME) credit line facility, an Agriculture Grant Support Facility, a Tourism Support Facility, a

Value Added and Downstream Processing Programme, all operationalized in 2021; and a Livelihoods and Investment Facility, launched in 2020.

16. As at the time of its previous Review, Solomon Islands has a very limited institutional and legal framework to set and enforce standards and technical regulations and undertake conformity assessment. It has neither designated an entity responsible for answering enquiries about technical regulations, conformity assessment, and standards, nor has it made any notifications under the TBT Agreement. Solomon Islands does not have a standardizing body. Technical regulations (including labelling requirements) were introduced in 2016 for certain electrical products. There have been no changes to the institutional and regulatory framework for the protection of human, animal and plant life and health in Solomon Islands since its last review. While some steps to build up Solomon Islands' human capacity to and physical infrastructure, the country has significant capacity constraints particularly on the animal side.

17. Solomon Islands continues to maintain price controls on foods, liquid petroleum gas and petroleum products; the objective is to keep prices at a reasonable level in the face of a lack of market competition. Prices are generally changed every six months, with changes relating to the good and/or the geographical zone. Water and electricity tariffs are also regulated. Solomon Islands does not have a dedicated Competition Law; a drafting of a Competition and Commerce Bill is foreseen for 2025.

18. Solomon Islands has nine state-owned enterprises operating in the areas of utilities, commodity marketing, transport, postal, financial services, and management of government investments. During the review period, one new SOE, the SI Airport Corporation, started operations. Where data is available, it shows that most SOEs have operated at a profit for a large part of the review period, except for Solomon Airlines and the Commodity Export and Marketing Authority. An SOE Ownership Policy was released in 2017, which sets out the framework for the Government's investment in the economy. It draws attention to the Government's large investment in SOEs but their relatively small contribution to GDP. The policy emphasises efficiency in SOE service delivery and competitive neutrality with private enterprises.

19. New procurement regulations were issued in 2021 under the Public Financial Management Act. They cover supply of goods, provision of services, and construction of works and set out procurement procedures. They aim to provide for fairness and transparency in procurement and establish a framework for monitoring compliance.

20. There have been no changes to Solomon Islands' legislation on intellectual property since 2016. In 2019, Solomon Islands joined the World Intellectual Property Organization. It acceded to the Berne Convention for the Protection of Literary and Artistic Works in the same year.

21. Trade in crops, fisheries, and forestry products is essential for the economic livelihood, food security, and foreign reserves of Solomon Islands. Nevertheless, the country's agricultural production and productivity face significant challenges such as weak land ownership protections, insufficient production technologies, resource depletion in the fisheries and forestry sectors, and frequent extreme weather events. In response, the Government has implemented various strategies to improve economic performance, promote sustainable fisheries and forestry sectors, and enhance food security through efficient agricultural practices.

22. While enhancing export competitiveness remains a priority in the agricultural sector, there is also a focus on import-substitution strategies, particularly for livestock products with high domestic demand. Government intervention in the agricultural sector also occurs through the Commodities Export Marketing Authority (CEMA), a state-owned enterprise. During the review period, the authorities sought to revitalize CEMA's commercial functions, including purchasing, storing, and exporting designated commodities. CEMA also provides subsidies to support prices and freight costs for copra and cocoa, although no notification of these measures was submitted to the WTO.

23. Mining activities, primarily focused on gold, bauxite, and nickel, have become increasingly significant contributors to economic growth in recent years; there is considerable untapped potential in the sector. Challenges such as regulatory issues in mining rights allocation and a lack of transparency in the fiscal framework are key barriers to attracting substantial investments. In response, the Government is revising the country's mining legislation. Solomon Islands is not a

participant in the Extractive Industries Transparency Initiative (EITI) or the Kimberley Process. While there are no legal restrictions on foreign ownership of mining permits, gold dealer licenses and alluvial mineral permits are reserved for Solomon Island citizens. The requirements for obtaining various permits in the mining sector are the same for both nationals and foreigners.

24. Solomon Islands, a net energy importer, depends heavily on imported petroleum for transportation, electricity generation, mining, and domestic use. Importing petroleum requires a license, and prices are regulated and reviewed periodically. Fossil fuels account for 56% of the country's energy supply. The rest comes from renewables like solar, bioenergy, and hydropower. Efforts to diversify the energy mix focus on leveraging significant biomass resources and promoting the energy transition through initiatives such as energy performance standards and labelling requirements for electric appliances. High electricity tariffs in Solomon Islands increase business costs, surpassing regional averages.

25. Various reforms in the financial services sector are designed to enhance its capacity for job creation and improve its role as a key driver of economic activities. For instance, the authorities have implemented measures like a financial inclusion strategy in 2021 aimed at expanding access to financial services for underserved segments of the population, with a particular focus on women. Additionally, these reforms seek to increase financing options for MSMEs and ensure that private sector investors and entrepreneurs have access to adequate financial services and loans. To achieve these goals, the authorities are actively promoting fintech channels and working to reduce credit risk in the country.

26. Access to telecommunications services improved during the review period due to the introduction of cable networks. Additionally, efforts are being made to further advance the digital economy, including the implementation of a National E-commerce Strategy aimed at enhancing the performance of MSMEs. Although still in its early implementation phase, the authorities expect the Strategy to enhance cross-border e-commerce and improve productivity across the economy.

27. Although there is limited data to illustrate the situation, it is clear that Solomon Islands' geography, marked by scattered islands and its distance from major international markets, naturally leads to higher trade costs. As such, there is a concerted push to improve connectivity among the numerous dispersed small islands that make up the country. However, establishing an efficient domestic transport system remains challenging for the authorities due to the unprofitable nature of operating such businesses. To address this, various incentive schemes have been introduced to support domestic transport operators. These initiatives not only aim to enhance transport activities but also hold the potential to promote domestic tourism, as emphasized in the country's tourism development strategy. The authorities seek to capitalize on the significant potential of tourism to drive economic growth and generate employment opportunities.

28. In summary, the economy of Solomon Islands has shown resilience despite facing numerous challenges. However, more assertive structural reforms appear to be necessary. While the country is on track to graduate from LDC status, its vulnerability to climate change and reliance on a narrow export base continue to place it among the world's most fragile economies. Ongoing efforts to promote environmental sustainability, foster a digital economy and trade, and support MSMEs and women are notable. Looking ahead, forward-thinking policies, such as improving product quality, pursuing further regulatory reforms and infrastructure investment and securing market access, including on preferential terms, could foster the integration of key products into global value chains and support efforts to diversify the economy.

1 ECONOMIC ENVIRONMENT

1.1 Main features of the economy

1.1. Solomon Islands is a small island developing state. It is classified as a lower middle-income country and as a least developed country (LDC). The country is made up of more than 900 islands, and its population of slightly over 760,000 inhabitants is distributed across 347 islands, which complicates access to basic public services and makes the provision of infrastructure disproportionally costly. Some 84% of the population live in rural areas, largely relying on farming, forestry, and fisheries. The services sector remained the largest contributor to GDP (47.4% in 2022), followed by agriculture, forestry, and fisheries (Table 1.1).

Table 1.1 GDP by economic activities, 2016-22

	2016	2017	2018	2019	2020	2021	2022
GDP by economic activities, constant 2012 prices (% change)							
Agriculture, forestry, and fisheries	3.4	3.6	0.4	0.1	-3.8	1.7	-3.0
Agriculture and hunting	1.3	3.8	0.0	-1.1	2.6	3.4	-0.6
Forestry and logging	12.7	-3.3	-0.9	1.0	-11.4	-7.1	-14.9
Fisheries	-1.4	13.9	3.4	3.5	-16.6	6.2	1.2
Mining and quarrying	-56.9	-1.4	-42.1	-4.3	-28.6	-12.6	175.3
Manufacturing	11.6	17.8	0.4	0.3	-3.2	-2.8	-6.1
Food	14.7	19.7	1.9	0.5	-1.1	21.6	-7.4
Beverages and tobacco	4.2	11.6	-6.5	-4.1	-16.1	16.3	7.2
Wood products	12.5	17.3	1.5	-0.8	1.0	12.0	-6.0
Electricity and water	10.0	-6.5	3.4	6.2	-1.1	0.7	0.2
Construction	11.4	3.8	8.0	9.5	-4.8	4.6	19.8
Services	7.3	1.2	4.8	2.0	-3.0	3.9	4.6
Wholesale and retail trade	7.7	-2.4	9.6	1.3	-0.5	-2.3	2.9
Food and beverage services	-2.8	14.4	-7.8	0.6	-31.4	-6.7	28.8
Transport and storage	7.7	-2.4	9.6	1.2	-0.5	-2.3	2.9
Communications	18.4	-5.0	-7.3	2.7	-6.3	38.0	19.2
Financial intermediation	14.6	0.2	10.3	-2.8	-1.5	6.3	-0.1
Insurance	14.6	0.2	10.4	-2.7	-1.6	6.3	0.0
Real estate	4.0	4.0	5.3	5.5	-1.8	4.0	4.0
Owner occupied dwellings	7.2	3.7	3.7	3.7	3.4	3.1	3.1
Business services	7.1	2.8	4.6	2.1	-2.7	2.4	5.6
Public administration	2.2	1.2	4.3	-5.9	-10.7	2.6	4.1
Education	11.5	9.2	3.1	9.7	3.7	14.5	3.8
Health	11.1	1.2	5.1	8.7	0.6	0.4	2.9
Other services	0.5	2.1	-10.6	8.6	-14.8	19.9	7.1
Share of economic activities, current basic GDP (%)							
Agriculture, forestry, and fisheries	34.6	33.2	34.1	32.7	34.1	35.1	33.8
Agriculture and hunting	18.4	17.4	16.0	15.0	16.6	18.9	18.0
Forestry and logging	10.0	9.9	12.0	11.3	11.4	9.5	8.8
Fisheries	6.2	5.9	6.0	6.4	6.1	6.7	7.0
Mining and quarrying	0.4	0.4	0.2	0.2	0.2	0.2	1.9
Manufacturing	7.9	10.3	10.2	10.4	9.7	9.7	8.2
Food	3.0	3.9	3.9	3.9	3.7	4.1	3.6
Beverages and tobacco	3.4	4.4	4.3	4.4	4.1	4.6	4.0
Wood products	0.5	0.7	0.7	0.7	0.7	0.7	0.6
Electricity and water	2.7	1.8	2.2	2.3	2.6	2.5	2.5
Construction	4.7	5.0	5.0	5.2	4.8	5.7	6.1
Services	49.8	49.2	48.3	49.2	48.6	46.8	47.4
Wholesale and retail trade	15.0	13.8	15.5	16.2	15.5	13.5	14.2
Food and beverage services	1.9	2.1	1.4	1.7	1.4	1.4	1.9
Transport and storage	3.6	4.3	4.2	4.2	4.1	3.9	4.0
Communications	2.8	2.5	2.1	2.1	2.0	2.4	2.3
Financial intermediation	2.1	2.6	2.6	2.5	2.0	2.2	1.3
Insurance	0.6	0.7	0.8	0.9	1.0	1.0	0.8
Real estate	1.4	1.4	1.4	1.5	1.4	1.6	1.7
Owner occupied dwellings	4.7	4.6	4.3	4.3	4.7	5.0	5.0
Business services	1.3	1.3	1.4	1.2	1.1	1.4	1.6
Public administration	6.4	6.1	5.7	4.9	5.1	3.4	4.1
Education	4.7	4.8	4.4	4.8	5.5	5.7	5.2
Health	2.7	2.6	2.5	2.6	2.8	2.6	2.6
Other services	2.6	2.5	2.2	2.4	2.2	2.6	2.6

Source: Solomon Islands National Statistics Office (2024), *Gross Domestic Product (GDP) Estimates from 2005-2022*. Viewed at: https://statistics.gov.sb/gross-domestic-product-gdp-estimates-from-2005-2022/.

1.2. The most recent (2012) data from the World Bank's Poverty and Inequality Platform indicates that about 12.7% of the population was below the national poverty line (compared to an estimate of 22.7% in 2005).[1]

1.3. Successful economic reforms over last decades, such as the implementation of a Public Financial Management Act, a new debt management framework and an IMF-supported programme for 2010-16 assisted efforts to build policy buffers, macroeconomic management capacity, and institutions.[2] Additionally, a relatively open and simplified trade regime has been maintained, contributing to improved resource allocation in the economy.[3] These efforts have led to substantial economic and social progress. While output per capita continued to grow during that period[4], major achievements were also made in terms of human development. The country's human development index, for example, has increased steadily over the last decade, suggesting improved education and health outcomes.[5] The improvement in living standards has put the country on track to graduate from LDC status by 2027.

1.4. While graduation from LDC status reflects progress on the economic and social fronts, it also implies the loss of trade preferences for the country's exports to some major markets, such as China. As an LDC, Solomon Islands benefits from non-reciprocal preferential schemes (Section 2.3.2.2).

1.5. Given that the European Union is an important destination for Solomon Islands' fisheries (tuna) and agriculture (palm oil) exports, the loss of EU (and UK) trade preferences following LDC graduation would have significant consequences for these industries, with the imposition of a higher tariff rate on their exports that could render them uncompetitive. However, this concern was addressed by the authorities through the signing of an Interim Economic Partnership Agreement with the European Union and the United Kingdom in 2020 and 2021, respectively.

1.6. Geographical dispersion, socio-political tensions, vulnerability to climate change, infrastructure deficiencies, and weak governance present significant challenges that could hinder Solomon Islands' development and impede its smooth transition from LDC status. Indeed, these issues increase the costs of doing business and create difficulties in fostering a dynamic private sector. As a result, there is a high concentration in both the production and export bases. The Government is aware of these challenges and has introduced various plans to tackle them (Section 1.2 and Section 4).

1.2 Recent economic developments

1.7. The National Development Strategy (NDS) for 2016-2035 currently serves as the primary guiding document for the Government's economic development policies. Under this Strategy, the authorities view trade as a key mechanism for alleviating poverty and promoting economic growth.[6]

1.8. While the NDS outlines the strategic vision for the future development of Solomon Islands, it also incorporates medium-term development strategies. These strategies are intended to serve as immediate actions and targets to achieve the NDS objectives within various sectors. The Strategy emphasizes five long-term objectives that should guide developmental actions: (i) achieving sustained and inclusive economic growth; (ii) alleviating poverty throughout Solomon Islands by addressing basic needs, improving food security, and ensuring the benefits of development are distributed equitably; (iii) ensuring all Solomon Islanders have access to quality health care and education; (iv) promoting resilient and environmentally sustainable development, alongside

[1] World Bank, *Poverty Headcount Ratio at National Poverty Lines (% of Population) – Solomon Islands, Other Small States*. Viewed at: https://data.worldbank.org/indicator/SI.POV.NAHC?locations=SB-S4.

[2] IMF (2018), *Solomon Islands: Staff Report for the 2018 Article IV Consultation*, IMF Country Report No. 18/309. Viewed at: https://www.imf.org/en/Publications/CR/Issues/2018/11/08/Solomon-Islands-2018-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-46345.

[3] WTO document WT/TPR/S/215, 8 May 2009.

[4] World Bank, *GNI per Capita (Constant 2015 US$) – Solomon Islands*. Viewed at: https://data.worldbank.org/indicator/NY.GNP.PCAP.KD?locations=SB.

[5] UNDP (2024), *Trends in Solomon Islands' HDI 1990–2022*. Viewed at: https://hdr.undp.org/data-center/specific-country-data#/countries/SLB.

[6] Ministry of Development Planning and Aid Coordination (2016), *National Development Strategy 2016 to 2035*. Viewed at: https://solomons.gov.sb/wp-content/uploads/2020/02/National-Development-Strategy-2016.pdf.

effective disaster risk management, response, and recovery; and (v) building a unified nation with stable and effective governance and public order.

1.9. During the review period, the economy of Solomon Islands experienced mixed growth performance (Table 1.2). In general, the country's GDP growth was significantly impacted by external factors, in particular by weather conditions. Log production, a crucial component of the economy, saw a consistent decline throughout almost the entire review period. However, fisheries continued to drive growth, and construction activities made significant contributions in most years (Table 1.1). Particularly noteworthy was the marked GDP increase in 2022, driven by increased investments in preparation for the country's hosting of the 2023 Pacific Games.

Table 1.2 Selected macroeconomic indicators, 2016-23

	2016	2017	2018	2019	2020	2021	2022	2023
Current GDP at market price (SBD million)	10,964.4	11,592.8	12,847.1	13,234.0	12,617.0	12,228.2	12,774.5	13,663.0
Current GDP at market price (USD million)	1,379.5	1,469.8	1,615.5	1,619.2	1,536.1	1,522.8	1,566.4	1,631.3
GDP per capita at current market price (USD)	2,091.8	2,172.5	2,327.6	2,274.1	2,103.1	2,032.2	2,037.7	..
Population ('000)	659.5	676.6	694.1	712.0	730.4	749.3	768.7	..
Unemployment rate	..	..	..	..	..	..	..	..
National accounts								
Real GDP (% change)	5.6	3.1	2.7	1.8	-3.4	2.6	2.4	4.0[a]
Final consumption expenditure	3.7	-1.8	9.7	3.6	-13.8	-6.4	-1.2	..
Household consumption	3.5	0.04	7.7	2.3	-14.6	0.2	4.1	..
Government consumption	4.2	-5.5	14.4	6.1	-13.3	-15.2	-12.0	..
Gross fixed capital formation	4.9	19.3	6.5	20.0	-12.6	-5.7	36.0	..
Exports of goods and services	10.7	5.2	6.2	-2.8	-21.8	-1.0	-1.5	..
Imports of goods and services	4.1	-2.9	18.3	8.1	-37.1	22.2	51.4	..
Money and interest rates								
CPI (% change)	0.5	0.5	3.5	1.6	3.0	0.1	5.5	5.1
Deposit rate (%, period average)	0.210	0.306	0.341	0.347	0.496	0.463	0.455	..
Savings rate (%, period average)	0.328	0.137	0.144	0.144	0.617	0.603	0.576	..
Lending rate (%, period average)	10.100	10.695	10.749	10.595	10.683	5.176	..	..
Broad money (% change)	13.4	3.5	6.8	-3.1	6.6	1.9	5.3	5.9
Central government finances (% of GDP)								
Total revenue including grants	30.8	32.7	31.7	27.4	30.1	30.3	27.8	25.3
Tax revenue	25.0	26.3	25.5	22.2	21.1	21.6	20.7	21.3
Grants	2.2	1.8	2.5	1.6	5.5	5.5	4.8	2.0
Total expenditure	34.0	33.7	30.2	29.0	32.6	31.6	30.8	32.3
Balance	-3.2	-0.9	1.5	-1.5	-2.4	-1.2	-2.9	-7.0
Primary balance	-3.0	-0.8	1.6	-1.4	-2.2	-1.0	-2.6	-6.7
Central government debt	7.5	8.7	8.1	8.2	12.2	16.1	16.0	..
External sector (% of GDP, unless otherwise indicated)								
SBD/USD (annual average)	7.948	7.887	7.953	8.173	8.213	8.030	8.156	8.376
NEER (% change)	1.9	0.6	-2.0	0.6	0.0	-1.6	5.4	0.3
REER (% change)	0.7	-0.9	-0.4	0.5	1.8	-3.9	5.9	1.7
Current account balance (% of GDP)	-3.5	-4.3	-3.0	-9.5	-1.6	-5.1	-14.0	-10.9
Trade in goods balance (% of GDP)	0.9	0.4	0.4	-2.2	-1.6	-6.4	-13.1	-12.2
Exports	31.3	31.8	33.2	28.5	24.7	24.4	21.8	26.4
Imports	30.4	31.4	32.8	30.7	26.3	30.8	34.9	38.6
Trade in services balance (% of GDP)	-6.1	-6.2	-4.6	-7.7	-6.6	-7.1	-9.4	-8.5
Credit	8.9	8.6	9.0	8.1	3.3	2.8	4.5	7.1
Debit	15.0	14.8	13.5	15.8	9.9	9.9	13.9	15.6

	2016	2017	2018	2019	2020	2021	2022	2023
Gross official reserves (USD million, end-of-year)	526.4	574.1	616.3	570.6	661.0	694.5	661.6	..
in months of next year's imports of GNFS	..	9.3	9.8	12.4	12.8	11.5	..	..
Total external debt (USD million, end-of-year)	263.8	376.7	323.5	350.5	428.9	483.2	503.0	..
% of GDP	19.1	25.6	20.0	21.6	27.9	31.7	32.1	..

.. Not available.

a Projections by the Central Bank of Solomon Islands (CBSI).

Source: Solomon Islands National Statistics Office. Viewed at: https://statistics.gov.sb/; Central Bank of Solomon Islands. Viewed at: https://www.cbsi.com.sb/statistics/; IMF data. Viewed at: https://data.imf.org/; and World Bank, Databank. Viewed at: https://databank.worldbank.org/home.

1.10. In 2016, the real GDP growth rate was relatively high, driven by robust economic activities in crop production and fisheries. This surge was due to increased production in the fishing, copra, and coconut oil industries, supported by high commodity prices, strong international demand, and favourable weather conditions throughout the year. This growth dynamic persisted into 2019, although its momentum gradually waned.

1.11. The economy has been hit by a series of shocks since 2020. Real GDP contracted by 3.4% in 2020, primarily due to subdued global demand in the wake of the COVID-19 pandemic, which further impacted logging and fisheries exports. The containment measures significantly affected merchandise trade and activities related to tourism, infrastructure projects, and domestic demand. This led to substantial contractions in almost all economic activities, mainly forestry, manufacturing, construction, accommodation, and transport sectors. This underperformance was exacerbated by civil unrest in Honiara in November 2021, resulting in destruction amounting to approximately 7% of GDP and significant job losses.[7] Moreover, an early 2022 local COVID-19 outbreak resulted in mobility restrictions that caused a decline in economic activity, which more than offset the substantial rise in gold production. The economy faced further setbacks from the war in Ukraine, which weakened export demand from trading partners and drove up import prices, increasing costs for both businesses and households.

1.12. A projection by the Central Bank of Solomon Islands (CBSI) points to a rebound in 2023, primarily attributed to, notably, a significant increase in gold exports and higher production levels in copra and cocoa. Additionally, the country's hosting of the Pacific Games in November 2023 spurred economic activity, particularly benefiting sectors such as construction, transportation, accommodation, and wholesale and retail trade.

1.13. Inflation remained at a relatively low level during most of the years in the review period (Table 1.1). In 2020, consumer prices declined due to weak domestic demand and an oversupply in the market, coupled with a temporary pass-through effect from falling global fuel and food prices at the end of the previous year. However, in 2021 and 2022, inflation surged markedly, primarily due to cost-push factors associated with rising global prices for fuel and food.

1.14. The fiscal deficit remained below 3% during the review period. In 2018, a fiscal surplus was achieved due to significant reductions in government-funded development expenditures. However, in the subsequent years, fiscal deficits increased. The uptick was attributed to ongoing weak revenue trends, particularly from reduced logging and export taxes, coupled with higher expenditures on public investment projects and bailouts in response to various shocks. While public debt remains low, it has been steadily rising since 2020 (Table 1.2). According to the IMF Debt Sustainability Analysis, there is a moderate risk of debt distress for both external and public debt, but there is still significant capacity to absorb shocks.[8] The IMF considers that the decline of the logging industry is

[7] IMF (2023), *Solomon Islands: Staff Report for the 2023 Article IV Consultation*, IMF Country Report No. 23/162. Viewed at: https://www.imf.org/en/Publications/CR/Issues/2023/05/11/Solomon-Islands-2023-Article-IV-Consultation-Press-Release-and-Staff-Report-533278, and the CBSI, Riot Impact Assessment November 2021. Viewed at: https://www.cbsi.com.sb/riot-impact-assessment-november-2021/.

[8] IMF (2023), IMF Country Report No. 23/162.

a challenge to government revenue.[9] The implementation of government sustainability targets in the forestry sector is expected to exacerbate budget pressures.

1.15. Export duties from logging is one of the primary sources of government income. Hence the decline in the logging industry is drying up a critical source of government revenue. The share of logging in total customs revenue declined from 60% in 2018 to 36% in 2023. The subdued log production and exports is expected to have a negative impact on the Government's finances and reduce the Government's ability to finance crucial development initiatives.

1.16. The policy measures undertaken by the authorities during the review period included a comprehensive tax review in 2018. In 2022, the Tax Administration Act was adopted with the aim of consolidating procedures and modernizing tax administration; the Act entered into force on 1 January 2023. There is also a plan to introduce a Value Added Tax (Section 3.1.4).

1.17. On the monetary front[10], the authorities have maintained an expansionary monetary policy stance to mitigate the effects of the various shocks, in particular COVID-19. The CBSI provided additional liquidity by reducing the cash reserve requirement and bought government bonds in the secondary market.

1.18. Solomon Islands' current exchange rate regime is based on a basket of currencies. In 2020, the IMF suggested an overevaluation of the country's real exchange rate.[11] The authorities consider that this result does not automatically imply need for nominal exchange rate adjustment; it highlights need to review the weights of the currency basket. As a measure to enhance the country's competitiveness, an IMF technical assistance was conducted in April 2024 to undertake annual revisions to the basket and rationalize the choice of the intervention currency and increase transparency by publishing the composition of the basket.

1.19. In recent years, Solomon Islands' current account deficit has increased, reflecting weakening exports and a surge in imports related to infrastructure projects for the preparation of the 2023 Pacific Games (Table 1.3). Additionally, rising oil prices and increased transport costs have further strained the current account. Gross foreign reserves were generally substantial and made up an equivalent to cover 11.5 months of imports.

1.20. The secondary income balance, which was on a decreasing trend since the previous Review, recovered firmly in 2020 onwards, suggesting donors' increased contributions to the country's development assistance pool.

Table 1.3 Balance of payments, 2016-23

(USD million)

	2016	2017	2018	2019	2020	2021	2022	2023
Current account	-48.8	-62.8	-47.8	-154.0	-25.1	-78.2	-218.5	-178.2
Goods and services	-71.8	-85.2	-67.6	-161.6	-127.4	-205.8	-353.3	-337.6
Goods	12.8	5.9	6.5	-36.4	-25.3	-97.2	-205.4	-198.7
Exports	432.1	468.0	536.0	460.9	378.7	371.2	340.9	430.8
Imports	419.4	462.1	529.4	497.3	404.0	468.5	546.3	629.5
Services	-84.5	-91.1	-74.1	-125.3	-102.1	-108.6	-147.9	-138.9
Credit	122.7	125.9	144.7	130.4	50.1	42.4	70.5	115.3
Debit	207.3	217.0	218.8	255.6	152.2	151.0	218.4	254.2
Primary income	-41.6	-29.7	-20.4	-16.4	35.8	17.9	10.6	25.1
Credit	41.5	41.5	42.5	49.9	56.6	54.7	67.3	66.0
Investment income	10.2	12.0	13.9	18.9	14.7	11.6	12.7	25.2
Compensation of employees	7.7	6.2	8.1	7.4	5.6	18.2	32.3	22.2
Other income	23.7	23.3	20.5	23.6	36.4	24.9	22.4	18.7
Debit	83.1	71.2	63.0	66.3	20.8	36.8	56.7	40.9
Investment income	74.2	66.7	56.8	58.7	13.5	29.2	42.9	32.3
Compensation of employees	8.9	4.5	6.1	7.6	7.3	7.6	13.8	8.6
Secondary income	64.5	52.1	40.2	24.0	66.5	109.7	124.2	134.3
Credit	131.4	115.7	104.3	104.0	126.5	161.5	177.1	190.0
General government	87.4	74.5	58.1	58.6	72.9	103.1	100.0	91.1

[9] IMF (2023), IMF Country Report No. 23/162.

[10] Monetary policy objectives and instruments were described in the previous Review (WTO document WT/TPR/S/349/Rev.1, 6 March 2017).

[11] IMF (2023), IMF Country Report No. 23/162.

	2016	2017	2018	2019	2020	2021	2022	2023
Financial corporations, nonfinancial corporations, households, and NPISHs	44.0	41.2	46.2	45.5	53.6	58.4	77.1	98.9
Personal transfers	12.6	10.1	11.8	18.1	21.9	32.8	48.9	62.4
Other current transfers	31.3	31.1	34.4	27.4	31.7	25.6	28.2	36.5
Debit	66.8	63.6	64.1	80.0	60.0	51.8	52.9	55.7
General government	6.6	13.4	7.6	4.3	1.6	4.3	7.8	7.7
Financial corporations, nonfinancial corporations, households, and NPISHs	60.2	50.2	56.5	75.8	58.4	47.5	45.1	48.1
Personal transfers	60.2	50.2	56.5	75.8	58.4	47.5	45.1	48.1
Capital account	53.3	60.5	60.0	63.6	62.3	65.8	137.8	131.8
Financial account (including reserve assets)	-34.3	-12.2	54.1	-53.5	16.4	-9.5	-69.4	-97.5
Direct investment	-36.0	-35.9	-15.9	-28.7	-5.7	-23.0	-38.4	-72.5
Assets	1.4	7.0	9.1	4.0	3.3	4.9	2.4	6.4
Liabilities (FDI)	37.3	42.9	25.0	32.8	9.0	27.9	40.7	78.9
Portfolio investment	1.7	2.1	-0.2	3.9	1.5	6.2	-2.4	4.5
Assets	1.7	2.1	-0.2	3.9	1.5	6.2	-2.4	4.5
Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other investment	-2.4	-2.0	2.0	6.7	-31.4	-71.6	-4.6	-49.4
Assets	7.5	4.9	6.0	-1.1	10.7	2.8	5.1	-12.2
Liabilities	9.9	6.9	3.9	-7.8	42.1	74.4	9.7	37.2
Reserve assets	2.4	23.7	68.2	-35.3	52.0	78.9	-24.0	19.8
Net errors and omissions	-38.8	-9.8	41.9	36.9	-20.9	2.9	11.4	-51.1

Source: IMF, *IMF Data: Access to Macroeconomic & Financial Data*. Viewed at: https://data.imf.org/?sk=388dfa60-1d26-4ade-b505-a05a558d9a42.

1.3 Developments in trade and investment

1.3.1 Trends and patterns in merchandise and services trade

1.21. The exposure of Solomon Islands' economy to international goods and services trade has been gradually decreasing since the previous Review. It fluctuated during the review period, reflecting the various shocks it faced, including the instability of commodity prices in international markets (Table 1.1). The share of exports and imports in GDP declined from around 88% in 2018 to approximately 64% in 2020, primarily due to the global impact of the COVID-19 pandemic and a decrease in log exports. However, trade progressively rebounded, reaching a record high in 2023 (87% of GDP). This evolution was driven by a combination of increased exports of gold and substantial imports of equipment for infrastructure development, with significant oil imports also contributing to the rise in trade value.

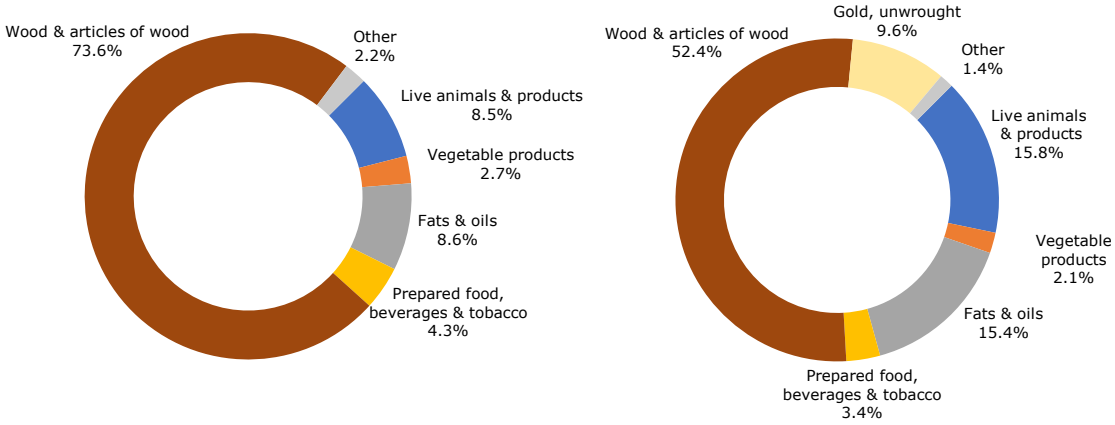
1.22. The value of total merchandise exports experienced significant fluctuations throughout the review period. Since 2018, there has been a downward trend, with the export value decreasing from USD 569 million to approximately USD 329.9 million in 2022 (Table A1.1).

1.23. The composition of Solomon Islands' total merchandise exports has remained broadly unchanged, with the export base remaining highly undiversified and predominantly consisting of commodity products. Primary agricultural products and agri-food preparations were the main export products during the review period (Chart 1.1 and Table A1. 3). The significant dominance of wood exports has decreased noticeably, and there has been a shift in the export pattern of Solomon Islands towards gold. However, from a GVC perspective, the country mainly functions as a provider of agricultural, fisheries, forestry, and recently minerals as raw materials and intermediate goods to advanced economies in Asia and Europe. Its trade in value added is negligible, indicating a range of structural constraints (Section 1.1).

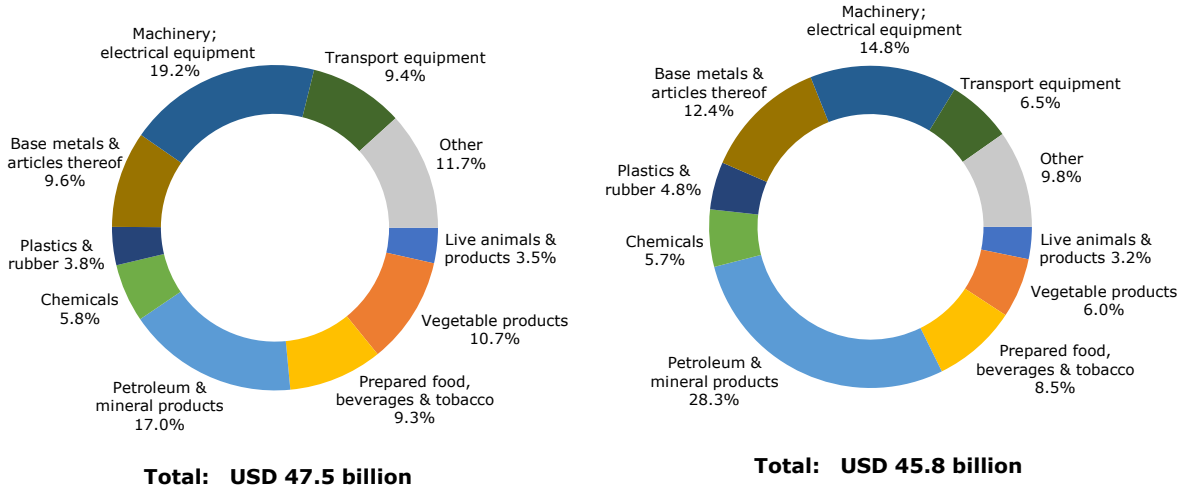
Chart 1.1 Merchandise trade by main product categories, 2016 and 2022

2016 **2022**

Exports (f.o.b.)



Imports (c.i.f.)



Source: WTO Secretariat calculations, based on UN Comtrade database and data provided by the authorities.

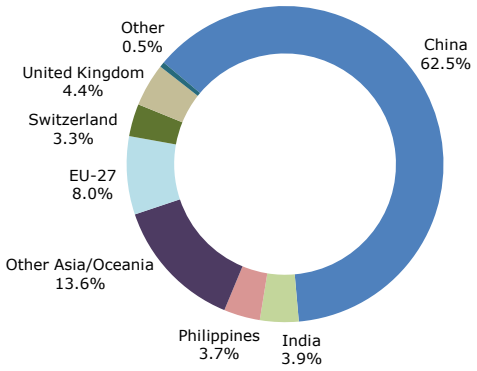
1.24. The composition of imports remained broadly unchanged during the review period. The leading import categories are petroleum products, machinery and electrical equipment, and transport equipment (Chart 1.1 and Table A1. 4). The share of petroleum products increased noticeably in 2022, indicating higher global oil prices. The economy's low insertion in GVCs is evident from the near absence of raw material imports for domestic transformation.

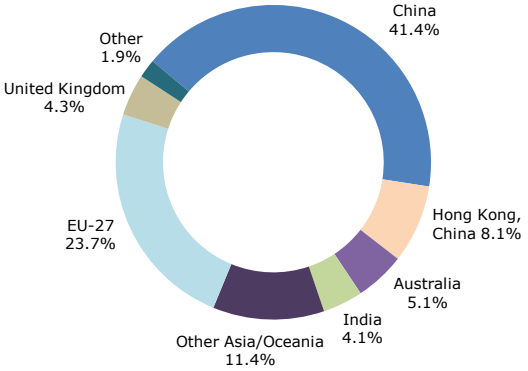
1.25. From a geographical distribution viewpoint, China remains the primary destination for Solomon Islands' exports. However, its importance declined significantly from 62.5% to 41.4% between 2016 and 2022. This shift reflects the decreased significance of log exports, for which China is a major market (Chart 1.2 and Table A1.1). The European Union; Hong Kong, China; and Australia are other major export markets for Solomon Islands.

Chart 1.2 Direction of merchandise trade, 2016 and 2022

2016 **2022**

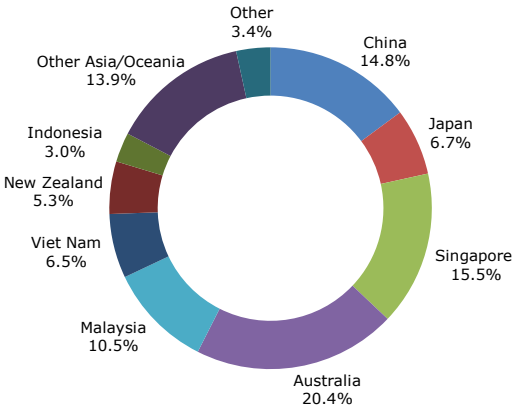
Exports (f.o.b.)

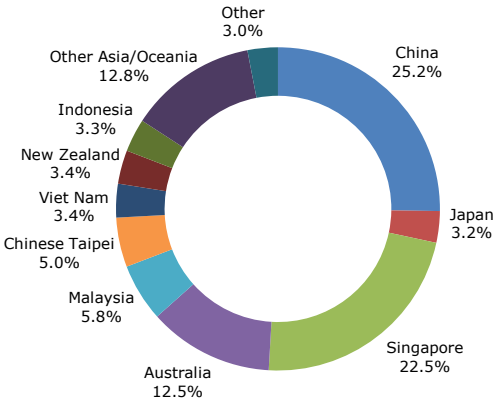




Total: USD 436.6 million **Total: USD 329.9 million**

Imports (c.i.f.)





Total: USD 454.4 million **Total: USD 599.8 million**

Source: WTO Secretariat calculations, based on UN Comtrade database and data provided by the authorities.

1.26. China, Singapore, Australia, Chinese Taipei, and Malaysia are the main exporters to Solomon Islands. In 2016, China and Singapore surpassed Australia to become the top source of imports (Chart 1.2 and Table A1. 2).

1.27. In trade in services, Solomon Islands continued to post a deficit during the review period (Table 1.1). Travel, business, and transport services are the most traded components (Table 1.4).

Table 1.4 Composition of trade in services, 2016-23

	2016	2017	2018	2019	2020	2021	2022	2023
Total credit (USD million)	122.7	125.9	144.7	130.4	50.1	42.4	70.5	115.3
	(% of total credit)							
Transport	27.3	26.4	26.5	24.1	31.8	45.2	39.7	42.7
Passenger	9.7	9.3	7.4	8.6	2.9	0.0	12.9	20.6
Freight	1.0	0.5	0.6	0.9	0.3	0.03	0.3	0.1
Other (including postal and courier)	16.6	16.7	18.4	14.6	28.5	45.1	26.5	22.0
Travel	47.9	52.9	55.9	54.5	12.1	0.0	7.5	19.6

	2016	2017	2018	2019	2020	2021	2022	2023
Business	14.5	15.9	16.3	16.1	3.6	0.0	0.6	0.5
Personal	33.4	36.9	39.5	38.4	8.4	0.0	6.9	19.0
Construction	1.7	2.3	1.7	2.0	9.7	9.4	8.2	11.4
Insurance and pension	0.04	0.04	0.03	0.03	0.1	0.1	0.1	0.04
Financial service	1.0	0.4	0.0	0.9	4.4	2.4	3.5	0.9
Charges for the use of intellectual property	1.0	0.5	0.4	0.4	0.8	0.2	0.1	0.1
Telecommunications, computer & information	3.6	1.1	1.1	2.1	5.5	6.3	5.7	2.7
Other business services	10.4	12.4	9.8	11.1	21.3	21.0	21.6	14.5
Personal, cultural, and recreational services	1.1	0.3	0.3	0.5	0.5	0.4	0.04	0.8
Government services	6.2	3.7	4.4	4.3	13.9	15.0	13.6	7.3
Total debit (USD million)	207.3	217.0	218.8	255.6	152.2	151.0	218.4	254.2
	(% of total debit)							
Manufacturing services on physical inputs owned by others	0.1	0.1	0.1	0.1	0.1	0.4	0.2	0.2
Maintenance and repair services n.i.e.	0.8	0.8	1.7	1.2	1.6	1.1	4.5	2.6
Transport	26.4	25.2	28.5	20.1	20.5	30.4	31.3	30.0
Passenger	0.1	0.1	0.047	0.031	0.005	0.0	0.0	0.3
Freight	22.4	21.7	24.7	16.7	19.8	30.3	27.2	27.2
Other	3.9	3.4	3.8	3.4	0.8	0.1	4.1	2.5
Travel	36.0	33.5	24.2	24.4	20.3	17.1	15.2	18.5
Business	14.2	16.1	10.2	8.8	1.2	0.0	4.3	8.9
Personal	21.8	17.4	13.9	15.6	19.0	17.1	10.9	9.6
Construction	0.9	1.4	0.9	6.9	0.3	0.7	0.1	0.6
Insurance and pension	2.7	2.7	3.3	2.9	3.7	4.3	3.2	3.7
Financial services	1.8	3.1	2.6	1.9	1.8	0.7	0.7	0.9
Charges for the use of intellectual property	2.1	1.8	3.2	1.6	1.9	1.6	0.0	0.6
Telecommunications, computer & information	5.5	5.0	4.6	10.3	7.8	7.5	4.9	4.2
Other business services	17.8	19.7	21.0	21.0	26.6	26.0	26.8	27.4
Personal, cultural, and recreational services	0.8	0.1	0.0	0.3	0.1	0.2	0.0	0.6
Government services	5.1	6.8	9.9	9.3	15.4	10.0	13.0	10.7

Source: IMF, *IMF Data: Access to Macroeconomic & Financial Data*. Viewed at: https://data.imf.org/?sk=388dfa60-1d26-4ade-b505-a05a558d9a42.

1.3.2 Trends and patterns in FDI

1.28. Foreign investment inflows have been generally low in Solomon Islands, reflecting high costs of doing business. In 2023, FDI inflows stood at USD 78.9 million, up from USD 37.3 million in 2016 (Table 1.3).

2 TRADE AND INVESTMENT REGIMES

2.1 General framework

2.1. There have been no changes to the structure of Solomon Islands' executive, legislative, and judicial branches since its previous Review in 2016, nor to the powers and responsibilities of its nine provinces[1], which are described in detail in the Secretariat Report.[2] As indicated in the Report, international agreements must be incorporated into domestic legislation.[3]

2.2. Solomon Islands' Constitution, its supreme law, was amended several times during the review period: in 2018 to allow for dual citizenship[4], and to establish an electoral commission[5]; and in 2023 to establish a Constituent Assembly to consider and debate a new Final Draft Constitution, which was issued in 2019 by the Cabinet-appointed Joint Plenary of the Constitutional Congress and Eminent Persons Advisory Council.[6]

2.3. Key developments during the review period related to measures to combat corruption. In this regard, legislative reforms included the enactment of the Anti-Corruption Act[7] and the Whistleblowers Protection Act[8] in 2018, and the Ombudsman Act in 2017.[9] Solomon Islands was ranked 70th of 180 countries/territories in Transparency International's 2023 Corruption Perceptions Index (up from 77th of 180 countries in the 2022 edition).[10]

2.4. The Anti-Corruption Act aims to reduce corruption by "establishing the Solomon Islands Independent Commission Against Corruption (SIICAC) to prevent, investigate and prosecute corruption offences", "establishing a system for receiving and managing complaints about potential corruption engaged in by persons in the public or private sector", and "introducing measures to prevent corruption including raising public awareness about the effects and prevention of corruption".[11] The SIICAC was established under the Prime Minister's Office in December 2019.

2.5. The Whistleblowers Protection Act, *inter alia*, lists the respective appropriate authorities for making public interest disclosures in various areas and protects the person making the disclosure in good faith from civil or criminal liability and disciplinary action. It also mandates the SIICAC to spread public awareness regarding how public interest disclosures may be made and the protection provided to persons disclosing information.

2.6. The Ombudsman Act of 2017 replaced earlier legislation (Ombudsman (Further Provisions) Act of 1980). The main changes introduced are to extend the Ombudsman's remit to investigate complaints about the administrative conduct of government contractors.[12]

[1] Each province has a Provincial Government and an elected provincial assembly.
[2] WTO document WT/TPR/S/349/Rev.1, 6 March 2017, Section 2.1.
[3] WTO document WT/TPR/S/349/Rev.1, 6 March 2017, Section 2.1.
[4] Constitution (Amendment) (Dual Citizenship) Act (No. 16 of 2018). Viewed at: http://www.paclii.org/sb/legis/num_act/cca2018429/.
[5] Constitution (Amendment) (Electoral Report) Act (No. 5 of 2018). Viewed at: http://www.paclii.org/sb/legis/num_act/cra2018419/.
[6] Constitution (Amendment) (Constituent Assembly) Act (No. 18 of 2023). Viewed at: https://www.parliament.gov.sb/sites/default/files/2024-02/Constitution%20%28Amendment%29%20%28Constituent%20Assembly%29%20Act%202023.pdf.
[7] Anti-Corruption Act (No. 2 of 2018). Viewed at: https://pina.com.fj/wp-content/uploads/2021/06/Anti-Corruption_Act_2018.pdf, as amended by the Anti-Corruption (Amendment) Act (No. 2 of 2019). Viewed at: http://www.paclii.org/sb/legis/num_act/aa2019280/.
[8] Whistleblowers Protection Act (No. 3 of 2018). Viewed at: https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/113924/143000/F-1797152353/SLB113924.pdf.
[9] Ombudsman Act (No. 10 of 2017). Viewed at: https://www.ombudsman.gov.sb/resources/legislation/26-ombudsman-act-2017/file.html.
[10] Transparency International, Corruption Perceptions Index, 2022 and 2023. Viewed at: https://www.transparency.org/en/cpi/2022/index/slb and https://www.transparency.org/en/cpi/2023.
[11] Anti-Corruption Act, Article 5.
[12] Office of the Ombudsman of Solomon Islands, Legal Mandate. Viewed at: https://www.ombudsman.gov.sb/about-us/legal-mandate.html.

2.2 Trade policy formulation and objectives

2.7. The 2015 Trade Policy Framework (TPF) continues to serve as Solomon Islands' guiding trade policy strategy. Its long-term vision is to increase the country's productive capacity through trade and investment and thereby increase citizens' living standards. Emphasis is placed on the linkages between infrastructure, finance, land, energy, and water to build such capacity. The TPF's multiple and wide-ranging action items and priorities are set out in a trade policy implementation matrix annexed to the document.[13] As indicated by the authorities, there is a National Implementation Plan, supported by the European Union, to inject some fresh ideas into the TPF.

2.8. The authorities indicate that a national labour strategy and policy developed under the TPF will be reviewed in 2024. An industrial policy is being developed under the TPF, with the assistance of the World Bank. A national export development strategy is also being developed.

2.9. The Ministry of Foreign Affairs and External Trade (MFAET) continues to have responsibility for matters pertaining to international trade, in consultation, as needed, with other ministries and state-owned enterprises responsible for trade facilitation. Decision-making on policy remains vested in the Cabinet.

2.10. The National Trade Development Council, chaired by the Minister of Foreign Affairs and External Trade, provides a forum for consultations on trade between the Government, private sector, and civil society. It was supported by funding through the Enhanced Integrated Framework (EIF) and is meant to meet four times a year; the Council's latest meeting was held in March 2024. The authorities indicate that coordination with stakeholders on trade policy is now undertaken on an *ad hoc* basis. The Foreign Relations Committee in Parliament considers trade issues when they arise.

2.3 Trade agreements and arrangements

2.3.1 WTO

2.11. Solomon Islands grants at least MFN treatment to all trading partners, including non-WTO Members. Its mission in Geneva was closed on 30 June 2020, and the authorities indicate that there are currently no plans to reopen it. As a Member not present in Geneva, Solomon Islands faces challenges that stem from not being directly involved in WTO discussions due to capacity constraints and a significant time difference between Geneva and Honiara that hinders virtual participation in WTO committees and negotiations and the ability to keep abreast of WTO developments.

2.12. Solomon Islands has never been involved in WTO dispute settlement proceedings as a complainant, respondent, or third party. It accepted the 2014 Protocol concerning the Trade Facilitation Agreement in April 2022 and is a participant in the Joint Statement Initiative (JSI) on Investment Facilitation for Development. It is not a party to the WTO plurilateral agreements on government procurement, information technology, and trade in civil aircraft or the JSIs on E-commerce or Services Domestic Regulation. It has not ratified the Agreement on Fisheries Subsidies. Solomon Islands is not part of the Informal Working Group on Trade and Gender.

2.13. Over the review period, Solomon Islands submitted to the WTO notifications on trade facilitation, regional trade agreements, customs valuation, preferential rules of origin, and trade remedies (Table 2.1). Notifications are pending in a variety of areas, including agriculture (volume of imports under tariff and other quota commitments, domestic support, and export subsidies), import licensing (replies to the questionnaire on import licensing procedures), quantitative restrictions, subsidies, and state trading enterprises. It also has pending notifications to the integrated database on its MFN import tariffs and import statistics. It did not make any SPS- or TBT-related notifications over the review period. It has also not notified its IP contact points or its IP legislation (and changes thereto) (Section 3.3.7).

[13] Ministry of Foreign Affairs and External Trade (MFAET) (2015), *Solomon Islands Trade Policy Framework: Building Productive Capacity for Trade and Quality of Life*. Viewed at: https://www.forumsec.org/wp-content/uploads/2020/09/SI-TPF.pdf.

Table 2.1 Notifications to the WTO, 1 January 2016–7 May 2024

WTO agreement	Description of requirement	Periodicity	Most recent notification
Agreement on the Implementation of Article VI of the GATT 1994			
Article 18.5	Legislation/regulations	*ad hoc*	G/ADP/N/1/SLB/1, 09/07/2024
GATS			
Article V:7(a)	Conclusion of, or accession to an Economic Integration Agreement	one time	S/C/N/1052/Add.1, 14/10/2022 S/C/N/1052, 12/04/2021
Article IV:2	Contact and enquiry points	one time	S/ENQ/78/Rev.18, 01/02/2019
GATT 1994			
Article XXIV:7(a)	RTAs providing preferential treatment in goods	*ad hoc*	WT/REG451/N/2, 14/10/2022 WT/REG451/N/1, 12/04/2021 WT/REG408/N/1, 30/10/2020 WT/REG409/N/1, 30/10/2020
Agreement on Rules of Origin			
Paragraph 4 of Annex II	Preferential rules of origin	*ad hoc*	G/RO/N/248, 04/05/2023 G/RO/N/224, 29/04/2021 G/RO/N/211, 04/02/2021
Agreement on Subsidies and Countervailing Measures			
Article 32.6	Legislation/regulations	*ad hoc*	G/SCM/N/1/SLB/1, 09/07/2024
Agreement on Safeguards			
Article 12.6	Legislation/regulations	*ad hoc*	G/SG/N/1/SLB/1, 9/07/2024
Agreement on Trade Facilitation			
Article 16	Implementation dates for Category C designations	one time	G/TFA/N/SLB/2, 22/08/2022 G/TFA/N/SLB/1/Add.2, 19/08/2022 G/TFA/N/SLB/1/Add.1, 09/07/2020 G/TFA/N/SLB/1, 20/02/2020
Articles 15 and 16	Notification of Category A, B, and C commitments	one time	WT/PCTF/N/SLB/1, 29/02/2016
Article VII of the GATT 1994 (Customs valuation)			
Decision A.3	Notification of the treatment of interest charges	*ad hoc*	G/VAL/N/3/SLB/1, 11/12/2020
Article 22	National legislation	one time	G/VAL/N/1/SLB/1/Add.1, 14/10/2020 G/VAL/N/1/SLB/1, 13/10/2016

Source: Compiled by the WTO Secretariat, based on the WTO notifications database. Viewed at: https://docs.wto.org/dol2festaff/Pages/FE_Search/FE_S_S003.aspx; the WTO Notifications Portal. Viewed at: https://notifications.wto.org/en/status-by-member/solomon-islands; and the *WTO Technical Cooperation Handbook on Notification Requirements*. Viewed at: https://www.wto.org/english/tratop_e/handbook_on_notifications_complete_e.pdf.

2.14. Since January 2016, Solomon Islands has taken part in several WTO technical assistance activities, including nine regional workshops, one regional trade policy course, and seven global activities/thematic courses. Among the subjects covered were, *inter alia*, preparation for and outcomes of WTO ministerial conferences; LDC-specific issues; fisheries subsidies; competition policy, trade, and development; intellectual property rights; and SPS issues. Solomon Islands officials have benefited from 2 internships at the WTO and have registered for 114 e-learning courses.

2.3.2 Regional and preferential agreements

2.3.2.1 Regional trade agreements (RTAs)

2.15. Solomon Islands is a party to five RTAs (i.e. trade agreements involving reciprocal tariff liberalization) that are in force. Developments since 2016 have included (i) Solomon Islands' accession to the EU-Pacific States Interim Economic Partnership Agreement (EPA); (ii) Solomon Islands' accession to the Interim EPA between the United Kingdom and the Pacific States; and (iii) the entry into force of the Pacific Agreement on Closer Economic Relations Plus (PACER Plus). Solomon Islands does not collect data on the use of preferences granted under RTAs by economic operators.

2.3.2.1.1 EU-Pacific States Interim EPA

2.16. As of October 2023, the parties to the EU-Pacific States Interim EPA included the EU member States on the one hand and four Pacific States (Fiji, Papua New Guinea, Samoa, and Solomon Islands) on the other. Solomon Islands acceded to the Agreement in May 2020.[14]

2.17. The Agreement covers trade in goods but not services. The European Union provided duty-free and quota-free access to its market for all products from Solomon Islands upon accession. For the Pacific States participants, there is a transition period for market opening that varies by country to country. For Solomon Islands, there is a preparatory period, followed by a transition period for liberalization, which will be concluded in 2038. The number of Solomon Islands' tariff lines excluded from liberalization under the Agreement is 518, representing 9.4% of total tariff lines.

2.18. The Agreement, *inter alia*, contains provisions on (i) the elimination of customs duties on exports, with exceptions when such measures are necessary to ensure fiscal solvency or environmental protection, and under exceptional circumstances to temporarily protect infant industries; (ii) flexibilities enabling Pacific States to modify their tariff commitments in the event of serious difficulties resulting from imports; (iii) provisions on customs procedures, cooperation and trade facilitation; (iv) bilateral safeguards; (v) provisions on the definition of priority products for export from Pacific States to the European Union; (vi) food security; and (vii) dispute avoidance and settlement.[15] The WTO Secretariat issued a factual presentation in December 2023 on this Agreement; it was considered in the Committee on Regional Trade Agreements (CRTA) in April 2024.[16]

2.3.2.1.2 United Kingdom-Pacific States Interim EPA

2.19. The United Kingdom-Pacific States Interim EPA entered into force on 1 January 2021. It aims "to provide continuity of the UK's and the Pacific States' rights and obligations to each other under the EU-Pacific States EPA" following the withdrawal of the United Kingdom from the European Union.[17] Parties to the Agreement on the Pacific States' side are the same signatories as in the EU-Pacific States Interim EPA: Fiji, Papua New Guinea, Samoa, and Solomon Islands. Likewise, the Agreement's provisions replicate those under the EU-Pacific States Interim EPA (Section 2.3.2.1.1). The authorities indicate that only changes to names and institutions were made from the EU-Pacific States EPA to the United Kingdom-Pacific States EPA.

2.20. The United Kingdom provided duty-free and quota-free access to its market for all products. For Solomon Islands, there is a transition period for tariff liberalization that will be concluded in 2038. The number of Solomon Island's tariff lines excluded from liberalization under the EPA is 518, representing 9.4% of total tariff lines. As of early May 2024, a draft factual presentation on this RTA had been prepared by the WTO Secretariat; comments from the parties were pending.

2.3.2.1.3 PACER Plus

2.21. PACER Plus was signed in June 2017 and entered into force in December 2020.[18] PACER Plus superseded PACER, which was a legal framework that provided for triggering of consultations on a possible trade agreement. It is composed of the following parties: Australia, the Cook Islands, Kiribati, New Zealand, Niue, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.[19] The

[14] WTO document WT/REG408/N/1, WT/REG409/N/1, 30 October 2020.

[15] Interim Partnership Agreement between the European Community, of the One Part, and the Pacific States, of the Other Part. Viewed at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2009:272:FULL&from=EN.

[16] WTO RTA database. Viewed at: https://rtais.wto.org/UI/PublicShowMemberRTAIDCard.aspx?rtaid=759.

[17] Government of the United Kingdom (n.d.), *Explanatory Memorandum on the Interim EPA between the United Kingdom of Great Britain and Northern Ireland, of the one Part, and the Pacific States, of the other Part* (Command Paper No. CP 76). Viewed at: https://www.gov.uk/government/publications/ms-no152019-interim-economic-partnership-agreement-between-the-united-kingdom-of-great-britain-and-northern-ireland-and-the-pacific-states.

[18] The legal text of the Agreement was viewed at: https://www.dfat.gov.au/trade/agreements/in-force/pacer/documents.

[19] The Agreement entered into force for all participants in December 2020, except for Tuvalu (in April 2022) and Vanuatu (in October 2022).

Agreement has also been signed but not ratified by Nauru. It covers liberalization of both goods and services trade and was notified to the WTO in 2021.[20] The WTO Secretariat issued a factual presentation in November 2023 on this RTA[21]; it was considered in the CRTA in April 2024.

2.22. Under the Agreement, Australia and New Zealand eliminated all customs duties on goods originating in Pacific Island parties upon entry into force of the Agreement. For the other parties, tariff liberalization is undertaken over a transition period, which will finish for Solomon Islands in 2044. At that time, 391 tariff lines will remain dutiable. The Agreement, *inter alia,* contains provisions on the modification or withdrawal of concessions in the event of unforeseen difficulties in implementing tariff commitments; transitional safeguards; and the possibility for Pacific Island parties to request putting in place industry development measures, which can be a tariff liberalization delay or a customs duty increase up the MFN applied rate, for a maximum of 10 years.[22] Solomon Islands has not applied such a measure.

2.23. Solomon Islands' schedule of specific services commitments is set out in Annex 7-A to the Agreement. Commitments are scheduled using a positive list approach with limitations on market access and national treatment included for Modes 1 to 3. Specific commitments have been taken for business, communication, construction and related engineering, distribution, educational, environmental, financial, tourism and travel-related, and transport, services. The Agreement contains a separate chapter on the Movement of Natural Persons. A more detailed analysis of Solomon Islands' services commitments, showing how they compare with the country's GATS commitments, is contained in the WTO Factual Presentation on this RTA.[23]

2.24. The Agreement also contains a Labour Mobility Arrangement to facilitate the temporary employment of low and semi-skilled workers from the Pacific States in Australia and New Zealand.[24] The Arrangement's objectives include establishing a framework for labour mobility cooperation; enhancing existing labour mobility schemes in Australia and New Zealand and using other opportunities; strengthening legal and institutional frameworks for labour mobility; helping to build labour supply capacity of Pacific Island States; and facilitating the recognition of qualifications.[25]

2.25. A Development and Economic Co-operation chapter and a Development and Economic Cooperation Work Programme 2021-2025 provide the framework for implementing the Agreement by Pacific Island States. An implementation support package is financed by Australia and New Zealand and used for activities channelled through a newly created PACER Plus Implementation Unit.[26] Under this Unit, support has been related to implementing obligations in the areas of rules of origin and other aspects of the implementation of tariff commitments, sanitary and phytosanitary measures, technical regulations, standards, and conformity assessment procedures and labour mobility.[27]

2.26. Selected provisions in the PACER Plus Agreement are described in other sections of this report, including investment (Section 2.4); customs procedures (Section 3.1.1); and rules of origin (Section 3.1.2).

[20] WTO document WT/REG451/N/1, S/C/N/1052, 12 April 2021.
[21] WTO document WT/REG451/1, 22 November 2023.
[22] Industry development measures are subject to a request and approval process, with conditions attached (WTO document WT/REG451/1, 22 November 2023, Section 3.4.2.3.1).
[23] WTO document WT/REG451/1, 22 November 2023, Tables 4.1 and 4.3.
[24] Department of Foreign Affairs and Trade, Australia, *Labour Mobility Arrangement*. Viewed at: https://www.dfat.gov.au/trade/agreements/in-force/pacer/fact-sheets/labour-mobility-arrangement.
[25] PACER Plus Implementation Unit, *Labour Mobility Arrangement*. Viewed at: https://pacerplus.org/pacer-plus/components/labour-mobility-arrangement.
[26] Department of Foreign Affairs and Trade, Australia, *PACER Plus Development Assistance*. Viewed at: https://www.dfat.gov.au/trade/agreements/in-force/pacer/development-assistance. For the period 2021-25, the support provided by the Implementation Package amounted to AUD 19 million from Australia and NZD 7 million from New Zealand.
[27] PACER Plus Implementation Unit (2023), "PACER Plus-funded Training to Boost Solomon Islands Tourism Sector", 23 August. Viewed at: https://pacerplus.org/resources/media-portal/press-releases/pacer-plus-funded-training-to-boost-solomon-islands-tourism-sector; (2023)"Workshop Strengthens Regional Customs Administrations", 21 August. Viewed at: https://pacerplus.org/resources/media-portal/press-releases/workshop-strengthens-regional-customs-administrations; and information provided by the authorities.

2.3.2.1.4 Melanesian Spearhead Group Trade Agreement

2.27. The Melanesian Spearhead Group (MSG) is composed of Fiji, Papua New Guinea, Solomon Islands, Vanuatu, and a representative of the Kanak Socialist National Liberation Front of New Caledonia. Indonesia is an associate member. The Melanesian Spearhead Group Trade Agreement (MSGTA), covering trade in goods, was concluded in 1993 to promote intra-MSG trade and strengthen economic cooperation among members. The MSGTA started with a positive list approach with a few products, including canned tuna, beef, and coffee. In 1998, the list was expanded to 180 products. The revised version of the agreement (MSGTA2), which entered into force in 2005, established an FTA among members involving the elimination of tariffs on all goods except for those on participating parties' negative lists.[28] The transition period for full implementation of tariff preferences offered by Solomon Islands was completed in 2017. A labour movement scheme entered into force in September 2012. Negotiations on the MSGTA3 between Fiji, Papua New Guinea, Solomon Islands and Vanuatu were concluded in mid-2016; to date, only Fiji and Solomon Islands have signed the agreement.[29]

2.3.2.1.5 Pacific Island Country Trade Agreement (PICTA)

2.28. Solomon Islands signed the PICTA on 6 August 2002 and ratified it on 2 June 2003.[30] The Agreement involves reciprocal tariff liberalization on goods with the other Pacific Islands Forum (PIF) States that have ratified it.[31] Solomon Islands has also signed the PICTA Trade in Services Protocol but has not ratified it.[32]

2.3.2.2 Preferential trade agreements (PTAs)

2.29. Under the South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA), which entered into force in 1981, Solomon Islands is eligible for duty-free and quota-free access for its exports to New Zealand and Australia.[33] The authorities indicated that with the entry into force of PACER Plus, this agreement has become redundant for Solomon Islands. Other trading partners offering non-reciprocal preferential access to LDCs, including Solomon Islands, are Chile, China, the Republic of Korea, Montenegro, Chinese Taipei, Tajikistan, and Thailand.[34]

2.30. Solomon Islands is also eligible for non-reciprocal preferences granted under the GSP schemes of Armenia, Australia, Canada, the European Union, Iceland, Japan, Kazakhstan, the Kyrgyz Republic, New Zealand, Norway, the Russian Federation, Switzerland, Türkiye, the United States.[35]

2.31. Solomon Islands does not collect data on the use of preferences granted under PTAs by economic operators.

[28] WTO document WT/TPR/S/349/Rev.1, 6 March 2017.
[29] Government of New Caledonia, *The Melanesian Spearhead Group Trade Agreement*. Viewed at: https://cooperation-regionale.gouv.nc/en/economic-cooperation-trade-agreement-oceania/melanesian-spearhead-group-trade-agreement.
[30] Pacific Island Countries Trade Agreement (PICTA). Viewed at: https://rtais.wto.org/rtadocs/582/toa/english/picta-text.pdf.
[31] The PIF members that have ratified the agreement are: Cook Islands, Fiji, Kiribati, Nauru, Niue, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.
[32] MFAET, *Pacific Island Countries Trade Agreement (PICTA)*. Viewed at: http://www.mfaet.gov.sb/external-trade/free-trade-agreements/regional/picta.html.
[33] Other features of this agreement are described in Solomon Islands' previous Review. WTO document WT/TPR/S/349/Rev.1, 6 March 2017.
[34] WTO PTA database. Viewed at: http://ptadb.wto.org/Country.aspx?code=090.
[35] WTO PTA database. Viewed at: http://ptadb.wto.org/Country.aspx?code=090. The PTA with China entered into force in 2020. SI Government. Viewed at: https://solomons.gov.sb/si-and-prc-formalize-non-reciprocal-duty-free-market-access/.

2.3.3 Other agreements and arrangements

2.32. Solomon Islands remains a member of the PIF, which is composed of 18 countries and territories; French Polynesia and New Caledonia joined as full members in September 2016.[36] It provides for regional coordination and cooperation in the political and economic spheres. As indicated in Solomon Islands' previous Review, while the PIF is not an RTA itself, it was the forum in which PICTA and PACER were initiated. The PIF's activities follow the priorities set out in the 2050 Strategy for the Blue Pacific Continent, approved by Forum Leaders in 2022. In this strategy, actions are to be taken in the framework of seven thematic areas: political leadership; people-centred development; peace and security; resource and economic development; climate change and disasters; ocean and environment; and technology and connectivity. A monitoring and implementation plan and a monitoring and reporting framework are to be developed under the 2050 Strategy.[37]

2.33. The Pacific Islands Forum Secretariat (PIFS) facilitates regional coordination and dialogue on trade policy issues, including with respect to coordinating engagement with the United States Trade Representative and on issues such as aid for trade, e-commerce, and Pacific quality infrastructure. During the review period, the European Union and the PIFS signed a financing agreement for the Pacific Regional Integration Support Programme (PRISE). Projects under PRISE include the (i) Strengthening Pacific Intra-Regional and International Trade Project (SPIRIT), which is managed and implemented by the PIFS for trade-related support; (ii) Safe Agriculture trade Facilitation through Economic integration in the Pacific (SAFE Pacific) project, which is related to SPS and managed and implemented by the Secretariat of the Pacific Community (SPC); and (iii) Improving Pacific Islands Customs and Trade (IMPACT) Project, which is a customs-related support project implemented by UNCTAD.

2.34. On 15 November 2023, the European Union signed a partnership agreement (Samoa Agreement) with members of the Organisation of African, Caribbean and Pacific States (OACPS) to replace the Cotonou Partnership Agreement. The authorities of Solomon Islands state that the Samoa Agreement is not a trade agreement but an umbrella partnership agreement between the European Union and OACPS members; it forges a platform for cooperation with specific protocols. While the Samoa Agreement has been provisionally applied from the date of signature, all EU member States and at least two thirds of OACPS countries must ratify it for it to enter into force. Solomon Islands is currently undertaking the process for its ratification.

2.4 Investment regime

2.35. The main law governing foreign investment in Solomon Islands remains the Foreign Investment Act (No. 7 of 2005), as last amended in 2009.[38] This creates the Registrar of Foreign Investment and sets out its functions of which include processing applications for registration of foreign investment activities and issuing the related foreign investment certificates (a prerequisite for investors to conduct business in the country). This registration/certification process is for monitoring purposes as well as to make sure that investments are not made in activities that are prohibited or reserved for citizens (see below).[39] Application fees are SBD 2,400 (up from SBD 200 at the time of the previous Review).[40] The fee increase is to accommodate compulsory online applications and payments, introduced in November 2016. As indicated in the previous Review,

[36] Australia, Cook Islands, Federated States of Micronesia, Fiji, French Polynesia, Kiribati, Nauru, New Caledonia, New Zealand, Niue, Palau, Papua New Guinea, Republic of the Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. Tokelau has an associate membership.

[37] PIFS, *2050 Strategy for the Blue Pacific Continent*. Viewed at: https://www.forumsec.org/2050strategy/.

[38] Foreign Investment Act (No. 7 of 2005). Viewed at: http://www.paclii.org/cgi-bin/sinodisp/sb/legis/num_act/fia2005219/fia2005219.html?stem=&synonyms=&query=foreign%20investment%20act, as amended by the Foreign Investment (Amendment and Validation) Act (No. 13 of 2009). Viewed at: https://www.paclii.org/cgi-bin/sinodisp/sb/legis/num_act/fiava2009412/index.html?stem=&synonyms=&query=foreign%20investment.

[39] Solomon Islands Business Registry, *About Foreign Investment Certificates*. Viewed at: https://www.solomonbusinessregistry.gov.sb/foreign-investment/how-to-register-a-foreign-investment/learn-what-a-foreign-investment-is/.

[40] Foreign Investment (Amendment) Regulations 2024 (Legal Notice No. 50). Viewed at: http://www.paclii.org/cgi-bin/sinodisp/sb/legis/sub_leg/fia2005fir2024l502024651/index.html?stem=&synonyms=&query=foreign%20investment%20act.

foreign investment certificates must be issued within five days of receipt of the application. Thereafter, the investor must incorporate a company in the country.[41]

2.36. The Foreign Investment Act (Section 9) provides the legislative basis for excluding certain "reserved activities" from foreign investment. The list of reserved activities is set out in Schedule 3 to the Foreign Investment Regulations.[42] As of August 2020, there were 21 such activities (up from 14 in the original list at the time of the previous Review). Changes to the reserved list since the previous Review are set out in Table 2.2. Sections 7 and 8 of the Foreign Investment Act contain reporting requirements on foreign investment activities.

Table 2.2 Reserved activities under the Foreign Investment Regulations 2020

Reserved activities 2015	Reserved activities 2024
Cultivating plant crops exclusively for sale on the domestic market.	Unchanged.
Timber milling operations producing not more than 2,500 m^3 of sawn timber per year.	Timber milling operations producing not more than 5,000 m^3 of sawn timber per year.
Retail trading of household goods and services on premises with an area of less than 200 m^2.	Retail trading of household goods and services.
Producing handicrafts and cultural artifacts.	Unchanged.
Operating buses, taxis and hire car services.	Unchanged.
Farming of livestock for sale exclusively for the domestic market.	Unchanged.
Gathering of wild forest products for sale exclusively for the domestic market.	Unchanged.
Laundry services not part of hotels.	Unchanged.
Restaurants, cafés and other eating and drinking businesses other than specialty businesses operating within an area of less than 25 m^2.	Cafés and other eating and drinking businesses operating in buildings the area of which is less than 200 m^2.
Market vending and roadside stalls.	Unchanged.
Domestic help services.	Unchanged.
Static guarding services for offices and domestic dwellings with an employment of less than 20 employees.	Static security guarding services which employ less than 50 persons and which provide security services for offices and domestic dwellings.
Office and lawn cleaning services not associated with hotels.	Unchanged.
Working as a customs clearing agent.	Unchanged.
	Gathering uncultivated natural products, including uncultivated forest materials, and using traditional knowledge to create traditional herbs for custom medicines for sale on the domestic and overseas markets.
	Coastal or reef fishing for sale on the domestic market, as follows: (a) fishing on a commercial basis in coastal and inland waters within three miles of the shore line and on rivers and lakes; (b) taking marine or fresh water crustaceans and mollusca; (c) taking any of the following: (i) aquatic animals; (ii) sea squids and other tunicates; (iii) sea urchins and other echinoderms; or (iv) other aquatic invertebrates; (d) gathering marine materials such as natural pearls, sponges, coral, and algae; (e) conducting small-scale live fish farming, including fish hatcheries, and fish farm service activities.
	Bungalow, eco-lodge, and homestay accommodation which has less than 10 beds.
	Local bird sanctuaries and marine aquarium zoos.
	Hair and beauty product distribution and salon services.
	Driving school services.
	Wholesale and retail trading of second-hand clothing.

Source: WTO document WT/TPR/S/349/Rev.1, 6 March 2017; and Foreign Investment (Amendment) Regulations 2020 (Legal Notice No. 108). Viewed at: http://www.paclii.org/sb/legis/sub_leg/fia2005fir2020l1082020651/.

[41] WTO document WT/TPR/S/349/Rev.1, 6 March 2017.

[42] Foreign Investment (Amendment) Regulations 2020 (Legal Notice No. 108). Viewed at: http://www.paclii.org/sb/legis/sub_leg/fia2005fir2020l1082020651/.

2.37. As indicated by the authorities, the Protected Industries Act[43], which provides protection to seven industries, is out of date and not being implemented. The industries, in theory, protected under the Act are the manufacture of paints and varnishes, cheezepop, prefabricated wooden buildings, flipflops; the processing of colour films; the slaughter of cattle; and the baking of hot bread.

2.38. The Foreign Investment Division under the Ministry of Commerce, Industry, Labour and Immigration (MCILI) is the Government's investment promotion arm. Its mandate is set out in the Foreign Investment Act 2005, Foreign Investment Regulation 2020, and Investment Policy 2023-2043. It works with other government entities to increase FDI, provides investors with information, and undertakes seminars/tours/roadshows and, advertising, and it also works with local companies to identify investment opportunities.[44]

2.39. In 2023, the MCILI issued the Solomon Islands Investment Policy and Promotion Strategy 2023-2043. The aim is to increase investment in productive activities, through greenfield and portfolio foreign direct investment, mergers and acquisitions, and joint ventures, to *inter alia* increase productivity and prosperity as well as boost employment, industrialization, sustainable development, and export earnings. It foresees a review of relevant legislation to improve the investment environment; this includes a review of the Foreign Investment Act to provide for clear protection of investor rights, including with respect to intellectual property protection and access to dispute settlement.

2.40. The Investment Policy and Promotion Strategy provides for establishment of a inter ministry coordinating committee to implement reforms, the creation of an Investment Promotion Authority, through the reorganization and reform of Invest Solomons , and the development of an export brand. Additionally, the Government intends to establish a "one stop shop" or a single window operation, industrial estates and special economic zones as well as to liberalize the investment regime, in various areas including immigration, registration and entry requirements, and land ownership. It plans to remove investment restrictions in certain areas as well as establish a competition policy.

2.41. Target sectors for investment are: high end accommodation/resorts; fishing, fish and marine products processing; food and agribusiness; timber processing and furniture and kit homes manufacturing; mineral prospecting and mining; infrastructure; transport and telecommunication services; education; medical services; real-estate; manufacturing; professional sports development; plazas and supermarkets; carbon trading and payments for eco systems and any other investment activities not on the reserve list. Investments will be facilitated which: help to build the expertise of the private sector; use local raw materials in production processes; promote export and import substitutes; provide employment and training opportunities for citizens; involve the transfer of knowledge and technology; and are long-term.

2.42. Foreign investment in Solomon Islands may be affected by the restrictions on land ownership. Over 80% of the land is so-called "customary land", which is owned by Indigenous communities. As indicated in the previous Review, this makes it difficult to establish titles on land ownership. Under the Land and Titles Act, foreigners may only lease land for up to 75 years; this can be renewed.[45] Perpetual estates (ownership in perpetuity) are only permitted for Solomon Islanders.

2.43. As at the time of its previous Review, Solomon Islands does not have any double taxation agreements or bilateral investment promotion and protection treaties in force. Under the Foreign Investment Act, disputes with foreign investors must settled under domestic laws. The Convention on the Settlement of Investment Disputes applies to foreign investors to the extent that it is consistent with Solomon Islands law. Solomon Islands also applies three guarantees set out in the APEC non-binding investment principles.[46]

[43] Protected Industries Act (Cap. 177). Viewed at: https://www.commerce.gov.sb/activities-updates/resources/legislation.html.

[44] Ministry of Commerce, Industry, Labour and Immigration, (MCILI), *Investment Promotion*. Viewed at: https://www.commerce.gov.sb/departments-units/foreign-investment/functions-of-the-division/investment-promotion.html.

[45] Land and Titles Act, Part VII.

[46] MCILI, *International Agreements*, Foreign Investment Act (No. 7 of 2005), Part IV. Viewed at: https://www.commerce.gov.sb/departments-units/foreign-investment/functions-of-the-division/investor-

2.44. The PACER Plus Agreement contains a chapter on investment (Chapter 9[47]), as well as a positive list of commitments on investment. It has made commitments on (i) agriculture, hunting, and forestry (except the following activities which are exclusively for the domestic market: cultivating plant crops, farming of livestock for sale; and gathering of wild forest products); (ii) aquaculture; (iii) alluvial mining; and (iv) manufacturing (except timber milling operations producing not more than 2,500 m^3 sawn timber per year, and production of handicrafts and cultural artifacts). For each of these activities, Solomon Islands has inscribed no limitations on national treatment. Horizontal limitations to national treatment apply to the ownership of land, whereby non-citizens may not own or acquire land but may lease it from the Government and land-holding groups.[48] Solomon Islands has also scheduled a list of exemptions from commitments on Chapter 9 commitments relating to senior management and board of directors. These, *inter alia*, give the flexibility to Solomon Islands to adopt/maintain measures requiring nationality and/or residency.

monitoring/international-agreements.html#:~:text=In%20an%20event%20that%20a,signed%20by%20Solomon%20Islands%20in.

[47] PACER Plus, Chapter 9. Viewed at: https://www.dfat.gov.au/sites/default/files/pacer-plus-chapter-9.pdf.

[48] Department of Foreign Affairs and Trade, Australia, *Text and Related Documents:* PACER Plus. Viewed at: https://www.dfat.gov.au/trade/agreements/in-force/pacer/documents.

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.1 Measures directly affecting imports

3.1.1 Customs procedures, valuation, and requirements

3.1. The Customs and Excise Act, 2002 (as last amended in 2012) continues to be the legislative basis for customs procedures and the imposition of duties on imports and exports.[1] The Act is implemented by various orders, several of which were issued over the review period.[2] The authorities indicate that a comprehensive redrafting of the Customs and Excise Act is nearing completion. Proposed changes, *inter alia*, take into account the revised Kyoto Convention, the WTO Trade Facilitation Agreement, new trade agreements signed, and other specific requirements stemming from international law.

3.2. Implementation of customs legislation and policy continues to be undertaken by the Customs and Excise Division (Customs) of the Ministry of Finance and Treasury (MOFT). The authorities indicated that Customs has produced a Customs Reform, Modernization and Capacity Building Strategy 2023-27, which builds on reform initiatives started in 2019. The strategic outcomes that it is working towards are "(i) for Solomon Islands Customs to provide a professional image and serve the public with integrity; (ii) enhanced border control and revenue security with increased trade facilitation and voluntary compliance; and (iii) transparency in customs law, policy, and procedures with high levels of client communications and outreach".[3]

3.3. All importers (and exporters) must be registered with Customs and have undertaken the necessary training to use ASYCUDA. Otherwise, the services of trained customs agents must be used. Customs agent services may not be provided by foreigners (Section 2.4). Required import documentation includes the import declaration (single administrative document (SAD)), bill of lading/airway bill, packing list, freight declaration, and commercial invoice. In some cases, the following documents must also be provided: certificate of origin; import permit; sanitary and phytosanitary certification; duty and goods tax exemption orders; and evidence of foreign transactions. Customs documentation of a commercial nature must be submitted electronically.

3.4. As indicated in its previous Review, Solomon Islands has been using ASYCUDA World since January 2015. According to the authorities, this upgrade has resulted in faster customs clearance times and reduced costs for traders, and it helps the customs administration with better revenue reporting and capacity to forecast. A fee of SBD 100 (up from SBD 10 at the time of the last Review) is charged for each customs declaration and is included in the total amount payable with the SAD; there can be up to 500 items listed on the declaration. The fee is used to finance improvements to the ASYCUDA system. As indicated in the previous Review, imports for which complete customs information has not been provided may be allowed provisionally into Solomon Islands upon payment of the import duty and a surcharge (which should not exceed 50% of the duty); the surcharge is reimbursed if the outstanding information is provided within six months of importation.[4]

3.5. Solomon Islands does not yet have in place a single window system; hence licences, permits, and other documentation must be obtained directly from the relevant agencies.

3.6. Vessels and aircraft must report all cargo carried on board in advance of arrival; reporting periods are set out in the Comptroller of Customs and Excise Directions of April 2015.[5] This information must be provided to Customs through ASYCUDA. Pre-shipment inspection is not

[1] Customs and Excise Act (Cap. 121). Viewed at: https://solomon-islands.tradeportal.org/media//Customs%20and%20Excise%20Act_2003%20consolidation.pdf; and Customs and Excise (No. 2) Act (No. 8 of 2012). Viewed at: https://www.paclii.org/cgi-bin/sinodisp/sb/legis/num_act/cae2a2012306/cae2a2012306.html?stem=&synonyms=&query=customs%20and%20excise.

[2] Subsidiary legislation issued under the Customs and Excise Act may be viewed at the Pacific Islands Legal Information Institute website. Viewed at: http://www.paclii.org/countries/sb.html.

[3] The Customs Reform, Modernization and Capacity Building Strategy 2023-27 was not viewed by the WTO Secretariat.

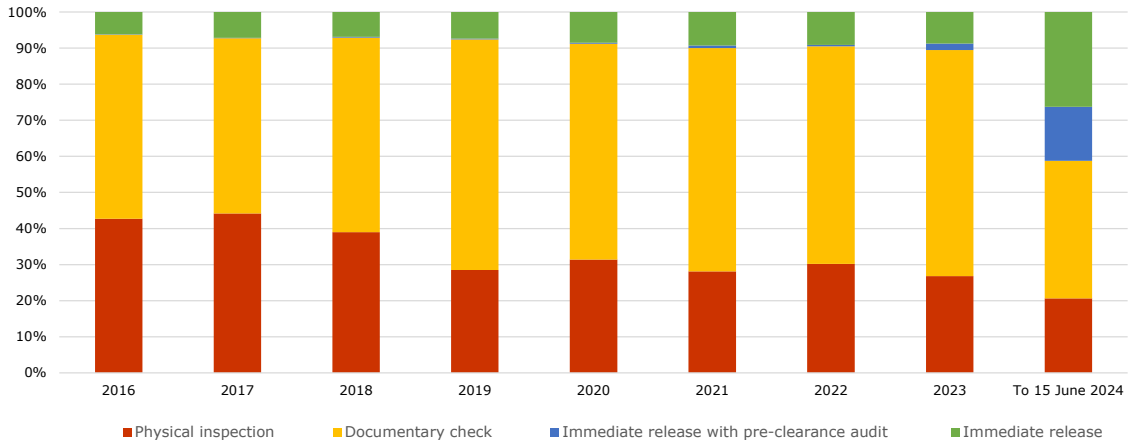
[4] WTO document WT/TPR/S/349/Rev.1, 6 March 2017.

[5] Customs. Viewed at: https://www.customs.gov.sb/files/contents/Legislation/Comptroller%27s%20Directions%20%28Advance%20Arrivals%20Report%29.pdf.

required. Imports (and exports) of dangerous drugs must pass through approved ports (Honiara airport or seaport).[6]

3.7. Customs authorities operate a traffic light system for customs release. Goods allocated to the green lane are released immediately, the yellow lane is for documentary checks, the red lane is for physical inspection, and the blue lane is for immediate release with pre-clearance audit. This allocation is determined by the ASYCUDA flagging system, which is fed with inputs from the Customs Risk Management Committee. Most import consignments are subject to documentary checks, although there was a notable increase in the immediate release of goods in the first half of 2024. The number of consignments subject to physical checks has been on a decreasing trend (Chart 3.1).

Chart 3.1 Customs clearance, 2016-mid-2024



Source: Information provided by the authorities.

3.8. A first- and only-customs time release study was undertaken in 2017, measuring the time taken to clear cargo transported by sea to Honiara Port. The average clearance time, from the time of arrival of goods at the port to their departure through the exit gate was nearly 8.5 days. Average clearance times were higher than this average for dutiable goods and lower for warehouse goods.[7]

3.9. While there is currently no legal basis for advance rulings, the Comptroller of Customs has the authority to take decisions in areas not covered by customs laws. Appeals against customs decisions must be made through a formal application to the Comptroller of Customs. According to the authorities, provisions on advance rulings and appeals processes will be provided for in amendments to the Customs and Excise Act (see above). Solomon Islands does not have an authorized economic operator programme.

3.10. Solomon Islands has customs cooperation agreements in place with Papua New Guinea (under review) and the Australian Border Force. Committees on customs and rules of origin issues have been established under the framework of RTAs with the European Union, the Melanesian Spearhead Group, and with PACER Plus parties.[8]

3.11. Solomon Islands accepted the 2014 Protocol concerning the Trade Facilitation Agreement in April 2022. It has submitted its notification of Category A, B, and C commitments and its implementation dates for Category C designations (Table 2.1). As of mid-2024, Solomon Islands had implemented 42.4% of its commitments; the deadline for full implementation is 2050.[9]

3.12. According to the authorities, Solomon Islands has around 30 to 40 customs sufferance wharves primarily used by the logging industry to load round logs for export. Approvals for

[6] Dangerous Drugs Act, Article 3.

[7] Solomon Islands Customs and Excise Division, *Time Release Study Report – Port of Honiara* September 2017. Not available online.

[8] These are the Pacific-EU Special Committee on Customs Cooperation and Rules of Origin (under the EU-Pacific IEPA), the MSG Customs and Quarantine Sub-Committee under the Melanesian Spearhead Group Free Trade Agreement, and the Committee on Trade in Goods under PACER Plus.

[9] WTO TFA database. Viewed at: https://www.tfadatabase.org/en/members/solomon-islands.

sufferance ports are given by the Comptroller under the Customs Regulations. A licence must be obtained by Customs for operators to load and unload at a sufferance wharf; this involves the provision of various documents including copies of a felling licence, a log pond agreement, and a making/technology agreement.[10] As indicated by the authorities, inward formalities are done at a declared port of entry before log vessels can proceed coastwise to the sufferance ports. Likewise, export documents must be provided to Customs prior to formal outward clearance at a dedicated port of entry. No other goods are allowed to be exported from the sufferance port without formal approval from the Comptroller of Customs.

3.13. Solomon Islands passed legislation/implementing regulations in 2009 and 2010 to give effect to the WTO Customs Valuation Agreement.[11] A description of Solomon Islands' Customs Valuation Act (as amended) is contained in its previous Review.[12] There have been no further changes to this Act, which was notified to the WTO in 2016 and 2020. The authorities indicate that the Act will become a regulation of the new customs and excise law currently being drafted. Solomon Islands also submitted its notification of the treatment of interest charges in 2020 (Table 2.1). Questions have been posed in the WTO Committee on Customs Valuation regarding various articles of the Act.[13] Solomon Islands was urged to submit its responses to the checklist of issues as soon as possible.[14] The authorities indicate that they use the transaction value for around 80% of imports; reference prices are used for some items including spare parts, logging machinery, and used cars.

3.1.2 Rules of origin

3.14. Solomon Islands does not maintain non-preferential rules of origin.

3.15. Preferential rules of origin are contained in Solomon Islands' RTAs in force (Section 2.3.2.1). Detailed information on rules of origin criteria under the respective agreements are set out in the factual presentations prepared by the WTO Secretariat for the Committee on Regional Trade Agreements (CRTA) (Table 3.1).

Table 3.1 Preferential rules of origin requirements, 2024

Agreement	Legal basis	Summary description
EU-Pacific States Interim EPA	Articles 8, 16, and Protocol II to the EPA	• Products must be wholly obtained or sufficiently processed according to conditions in Annex II to the Protocol (*ex-works* price threshold for value of non-originating materials, change in tariff classification, process rule). • Inclusion of non-originating fish in fish processing (subject to prior notification to the European Union). • Inclusion of absorption principle, a *de minimis* provision, and specific tolerance levels for textiles and clothing. • Full cumulation with other African, Caribbean, and Pacific States and Overseas Countries and Territories to apply upon conclusion of an agreement on administrative cooperation. • If more favourable ROOs are offered by third parties than by the European Union to Pacific States, then parties will consult to best implement more favourable treatment.
UK-Pacific States Interim EPA	Articles 8, 16, and Protocol II to the EPA	Same as EU-Pacific States Interim EPA.

[10] Customs and Excise Division, *Obtain a License to Unload/Load at a Sufferance Wharf*. Viewed at: https://solomons.gov.sb/ministry-of-finance-and-treasury/customs-and-excise-division/essential-services/obtain-a-license-to-unload-load-at-a-sufferance-wharf/.

[11] Customs Valuation Act (No. 19 of 2009) and Customs Valuation (Amendment) Act (No. 8 of 2018). WTO documents G/VAL/N/1/SLB/1, 13 October 2016; and G/VAL/N/1/SLB/1/Add.1, 14 October 2020.

[12] WTO document WT/TPR/S/349/Rev.1, 6 March 2017.

[13] Questions by the United States and responses by Solomon Islands as contained in WTO documents G/VAL/W/298, 5 May 2017; G/VAL/W/366, 19 October 2020; G/VAL/W/366/Corr.1, 20 November 2020; and G/VAL/W/375, 5 May 2021. As indicated in the minutes of the Committee on Customs Valuation meeting held on 23 May 2024 (WTO document G/VAL/M/77, 3 July 2024), additional responses were provided by Solomon Islands; a document reference number had yet to be attributed at the time of writing.

[14] WTO document G/VAL/M/77, 3 July 2024.

Agreement	Legal basis	Summary description
PACER Plus	Chapter 3 and Annexes 3A and 3B to the Agreement	• Products must be wholly obtained in a PACER Plus country; entirely produced in one or more of the parties from originating materials (full cumulation); or satisfy product-specific rules of origin set out in Annex 3-B (change in tariff classification, regional value content not less than 40%, or process rules). • Inclusion of absorption principle, *de minimis* tolerance rule, and a tolerance level for textiles and clothing.
Melanesian Spearhead Group Trade Agreement	Article 13 and Annex 1 to the Agreement	Requirement for goods to be wholly obtained or sufficiently worked/processed in a party territory (i.e. through a change in tariff classification).

Source: WTO RTA database. Viewed at: https://rtais.wto.org/.

3.1.3 Tariffs

3.1.3.1 Applied MFN tariffs

3.16. Solomon Islands' MFN applied tariff rates are set out in the First Schedule to the Customs and Excise Act, as amended.[15] As indicated by the authorities, the tariff is normally changed every five years when there is a change in HS nomenclature. The most recent change to the tariff was in 2023. The Cabinet is charged with approving changes to the tariff schedule (including rates); tariff changes are contained in orders issued by the Minister of Finance and Treasury.

3.17. Solomon Islands' 2024 tariff schedule comprises 6,535 tariff lines (compared with 5,512 at the time of its previous Review). In 2024, there were 4 different *ad valorem* rates (0%, 5%, 10%, and 15%) and 22 different specific rates. The highest rate of 15% was applied to 78 tariff lines (all falling under HS Chapter 87 (vehicles)). This compares with 6 different *ad valorem* rates (0%, 5%, 10%, 15%, 18%, and 20%) and 21 different specific rates in 2015.

3.18. The simple average MFN applied rate in 2024, including *ad valorem* equivalents (AVEs) of specific rates, was 13.5% (compared with 11.1% in 2015). This increase in the applied MFN tariff is largely due to the increase in the number of specific duties from 94 (or 1.7% of total lines) in 2015 to 177 (or 2.7% of total lines) in 2023 and the inclusion of AVEs of specific tariff lines in the Secretariat's calculations (which was not possible before).[16] Several specific rates have AVEs with the highest tariff rates (**Error! Reference source not found.**). A very small share of total tariff lines (0.5%) is duty-free, down from 1% in 2015.[17] As before, no tariff quotas are applied (Table 3.2).

Table 3.2 Structure of applied MFN tariff, 2015 and 2024

(%, unless otherwise indicated)

	2015		2024	
	excl. AVEs	incl. AVEs[a]	excl. AVEs	incl. AVEs[a]
Simple average rate	9.2	11.1	9.2	13.5
WTO agricultural products	9.4	22.5	9.3	36.8
WTO non-agricultural products	9.2	9.1	9.1	9.2
HS 01-24	9.6	19.7	9.4	30.8
HS 25-97	9.1	9.1	9.1	9.2
Duty-free tariff lines (% of all tariff lines)	1.0	1.0	0.5	0.5
Tariff quotas (% of all tariff lines)	0.0	0.0	0.0	0.0
Non-*ad valorem* tariffs (% of all tariff lines)	1.7	1.7	2.7	2.7
Domestic tariff "peaks" (% of all tariff lines)[a]	0.0	0.8	0.0	0.9

[15] First Schedule to the Customs and Excise Act, Supplement to Solomon Islands Gazette of 31 May 2023, Legal Notice No. 29.

[16] The increase in specific tariff lines is due to (i) all of HS Chapter 17 (sugar and sugar confectionery), comprising 19 tariff lines previously either at 5% or 10% being changed to the specific rate of SBD 1/kg; (ii) 4 tariff lines on rice (under HS 1006) being changed from duty-free to SBD 0.02/kg; (iii) 32 lines under HS Chapter 39 (plastic and plastic articles) being changed from 10% to SBD 1.9/kg; (iv) 2 lines for non-alcoholic beverages (HS 2202) being changed from 10% to SBD 2/litre; (v) 3 lines for unmanufactured tobacco being changed from 19% to SBD 2,558.8/kg; and (vi) an increase in the number of tobacco-specific lines due to nomenclature changes and splitting of tariff lines.

[17] The reason for the decrease in duty-free lines from 56 in 2015 to 33 in 2024 is due to an increase from zero to 10% for around 20 tariff lines on miscellaneous chemical products under HS 38. Four tariff lines for rice increased from zero to a specific rate. There were other increases, for example, on tariff lines on (i) meat of bovine animals, frozen, carcasses and half carcasses; and (ii) parts of semiconductor devices from zero to 10%.

	2015		2024	
	excl. AVEs	incl. AVEs[a]	excl. AVEs	incl. AVEs[a]
International tariff "peaks" (% of all tariff lines)[b]	0.1	1.1	0.0	1.4
Coefficient of variation	0.2	2.9	0.2	4.5
Nuisance applied rates (% of all tariff lines)[c]	0.0	0.2	0.0	0.2
Number of lines		5,512		6,535
Duty-free lines		56		33
Ad valorem rates (>0%)		5,362		6,502
Specific rates		94		177

a For 2015, AVEs are included for all 94 specific rates; for 2024, AVEs are included for 171 out of 177 specific rates.
b Domestic tariff peaks are defined as those exceeding three times the overall simple average applied rate.
c International tariff peaks are defined as those exceeding 15%.

Note: The 2015 tariff schedule is based on HS12 nomenclature and 2024 is based on HS22.

Source: WTO Secretariat calculations, based on data provided by the authorities and UN International Trade Centre, Market Access Map.

3.19. The simple average applied MFN tariff on agricultural products (WTO definition) is significantly higher at 36.8% than that on non-agricultural products (9.2%). For WTO agricultural products, *ad valorem* tariff rates range from zero to 15%, while specific tariff rates, which are applied on 11.2% of all tariff lines, range from zero to 1,000%. Products attracting the highest tariff rates are beverages and tobacco, with rates reaching 1,000%, and cereals and food preparations, with rates reaching 451.2%. For WTO non-agricultural products, rates range from zero to 181.4%, with the highest rates applying to certain chemicals (Table 3.3) (**Error! Reference source not found.**).

Table 3.3 MFN applied tariff summary by WTO product category and HS section, 2024

	Number of lines	Average (%)	Range (%)	CoV	Duty-free (%)	Non-*ad valorem* rate (%)
Total	**6,535**	**9.2 (13.5)**	**0-15 (0-1,000)**	**0.2 (4.5)**	**0.5**	**2.7**
WTO agricultural products	**1,026**	**9.3 (36.8)**	**0-10 (0-1,000)**	**0.2 (4.1)**	**0.2**	**11.2**
Live animals and meat	157	8.6	5-10	0.3	0.0	0.0
Dairy products	35	7.4	5-10	0.3	0.0	0.0
Fruits and vegetables	244	10.0	10-10	0.0	0.0	0.0
Coffee, tea, cocoa and spices	64	10.0	10-10	0.0	0.0	0.0
Cereals and food preparations	101	8.7 (12.9)	0-10 (0-451.2)	0.3 (3.4)	1.0	5.9
Oilseeds, fats and oils	86	9.8	5-10	0.1	0.0	0.0
Sugars and confectionery	19	(14.7)	(2.7-53.9)	(0.8)	0.0	100.0
Beverages and tobacco	115	10.0 (254.5)	10-10 (5.2-1,000)	0.0 (1.5)	0.0	78.3
Cotton, silk and wool	25	10.0	10-10	0.0	0.0	0.0
Other agricultural products	180	8.7	0-10	0.3	0.6	0.0
WTO non-agricultural products	**5,509**	**9.1 (9.2)**	**0-15 (0-181.4)**	**0.2 (0.5)**	**0.6**	**1.1**
Fish and fish products	365	10.0	5-10	0.0	0.0	0.0
Minerals and metals	979	8.7	5-10 (0.5-10.9)	0.3	0.0	0.7
Petroleum	25	10.0 (6.7)	10-10 (0.1-10.6)	0.0 (0.6)	0.0	52.0
Chemicals	1,108	7.6 (8.0)	5-10 (0-181.4)	0.3 (1.0)	0.0	3.7
Wood, paper, furniture	399	9.8	5-10	0.1	0.0	0.0
Textiles	606	9.9	0-15	0.1	0.2	0.0
Clothing	238	10.0	10-10	0.0	0.0	0.0
Rubber, leather and footwear	180	10.0	5-10	0.0	0.0	0.0
Mechanical, office and computing machinery	568	9.3	0-10	0.2	0.9	0.0
Electrical machinery and electronic equipment	343	9.7	0-10	0.1	0.3	0.3
Transport equipment	292	9.9	0-15	0.4	6.8	0.0
Other manufactures	406	9.7	0-10	0.1	1.0	0.0
HS Sections						
01 Live animals and products	511	9.4	0-10	0.2	0.2	0.0
02 Vegetable products	401	9.5 (9.4)	0-10	0.2	0.2	1.0
03 Fats and oils	64	9.8	5-10	0.1	0.0	0.0
04 Prepared food, beverages and tobacco	348	9.5 (92.0)	5-10 (2.7-1,000)	0.2 (2.7)	0.0	32.8

	Number of lines	Average (%)	Range (%)	CoV	Duty-free (%)	Non-*ad valorem* rate (%)
05 Mineral products	182	10.0 (9.4)	10-10 (0.1-10.9)	0.0 (0.2)	0.0	11.0
06 Chemicals and products thereof	987	7.4 (7.7)	5-10 (0-181.4)	0.3 (1.1)	0.0	0.6
07 Plastics, rubber, and articles thereof	250	10.0	5-10 (4-61)	0.0 (0.5)	0.0	12.8
08 Raw hides and skins, leather, and its products	81	10.0	10-10	0.0	0.0	0.0
09 Wood and articles of wood	190	10.0	10-10	0.0	0.0	0.0
10 Pulp of wood, paper and paperboard	175	9.6	5-10	0.1	0.0	0.0
11 Textiles and textile articles	840	9.9	0-10	0.1	0.1	0.0
12 Footwear, headgear, etc.	49	9.6	5-10	0.1	0.0	0.0
13 Articles of stone, plaster, cement	168	10.0	10-10	0.0	0.0	0.0
14 Precious stones and metals, pearls	66	10.0	10-10	0.0	0.0	0.0
15 Base metals and articles thereof	614	7.9	5-10	0.3	0.0	0.0
16 Machinery, electrical equipment, etc.	900	9.4	0-10	0.2	0.7	0.1
17 Transport equipment	295	9.9	0-15	0.4	6.8	0.0
18 Precision equipment	212	9.6	0-10	0.2	1.9	0.0
19 Arms and ammunition	20	10.0	10-10	0.0	0.0	0.0
20 Miscellaneous manufactured articles	163	9.8	5-10	0.1	0.0	0.0
21 Works of art, etc.	19	10.0	10-10	0.0	0.0	0.0

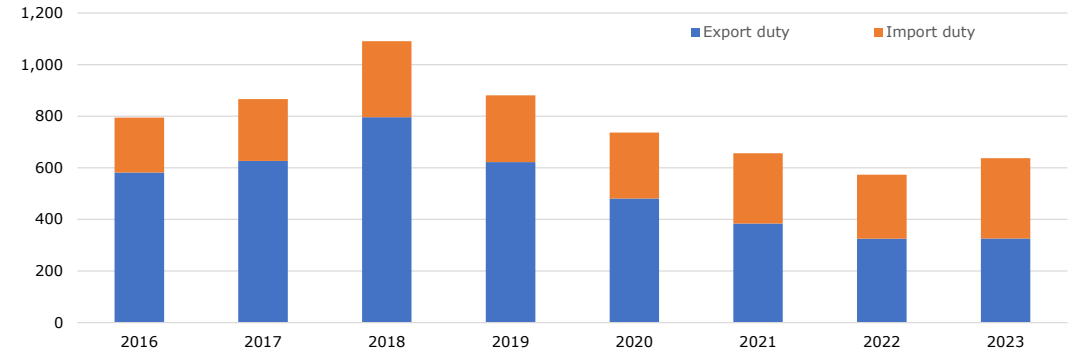
Note: CoV = Coefficient of Variation.
The data in brackets include AVEs. If the figures including AVEs are the same as those excluding AVEs, brackets are not put. AVEs have a cut-off of 1,000%.

Source: WTO Secretariat calculations, based on data provided by the authorities and UN International Trade Centre Market Access MAP.

3.20. In 2023, customs duties contributed SBD 288.60 million (or 10%) to total government tax revenue (Section 3.3.1 , Table 3.8). This compares with 6.5% of total tax revenue in 2014, 11% in 2007, and 20% in 2003. Total revenue collected by Customs at the border from customs duties and export duties over the review period ranged between just under SBD 600 million to just over SBD 1 billion (Chart 3.2).

Chart 3.2 Import and export duties, 2016-23

(SBD million)



Source: Data provided by the authorities.

3.1.3.2 Tariff bindings

3.21. Solomon Islands bound all of its tariff lines, mainly at 80%, as indicated in its previous Review. Certain goods, including meat, processed fish, soap, prepared foods, bottled water, and photocopying machines are bound at rates between 90% and 150%. Lower bound rates of between 5% and 35% apply to wheat, malt, margarine, sugar, pharmaceuticals, and fertilizers. Several goods, including beer, wine, spirits, tobacco products, fuels, explosives, media for sound

recording, and cinematographic film are subject to non-*ad valorem* or compound bound rates.[18] Solomon Islands has bound other duties and charges at zero.

3.22. For 60 tariff lines, largely relating to alcoholic beverages and fuels, applied rates exceed their bindings (Table 3.4). An additional 45 tariff lines may exceed bindings since (i) some lines are bound at *ad valorem* rates, while the MFN rate is specific; (ii) some lines are bound at specific rates but the MFN rate is *ad valorem*; and (iii) in some cases the unit values are different (Table 3.5).

Table 3.4 Tariff lines for which applied rates exceed bound rates, 2024

HS code	Product description	MFN rate	Bound rate
12112000	Ginseng roots	10%	5%, 80%
12113000	Coca leaf	10%	5%, 10%
12114000	Poppy straw	10%	5%, 10%
12115000	Ephedra	10%	5%, 10%
12116000	Bark of African cherry	10%	5%, 10%
19011000	Food preparations under HS heading 1901	10%	5%
19012000	Food preparations under HS heading 1901	10%	5%
19019010	Food preparations under HS heading 1901	10%	5%
19019090	Food preparations under HS heading 1901	10%	5%
22030020	Alcoholic beverages of strength > 3.5% <= 7%	SBD 19.48/litre	SBD 15.00/litre
22030030	Alcoholic beverages of strength > 7% <= 14%	SBD 24.53/litre	SBD 15.00/litre
22030090	Alcoholic beverages of strength > 14%	SBD 150.28/litre	SBD 15.00/litre
22041020	Alcoholic beverages of strength > 3.5% <= 7%	SBD 19.48/litre	SBD 15.00/litre
22041030	Alcoholic beverages of strength > 7% <= 14%	SBD 24.53/litre	SBD 15.00/litre
22041040	Alcoholic beverages of strength > 14%	SBD 150.28/litre	SBD 15.00/litre
22042120	Alcoholic beverages of strength > 3.5% <= 7%	SBD 19.48/litre	SBD 15.00/litre
22042130	Alcoholic beverages of strength > 7% <= 14%	SBD 24.53/litre	SBD 15.00/litre
22042140	Alcoholic beverages of strength > 14%	SBD 150.28/litre	SBD 15.00/litre
22042220	Alcoholic beverages of strength > 3.5% <= 7%	SBD 19.48/litre	SBD 15.00/litre
22042230	Alcoholic beverages of strength > 7% <= 14%	SBD 24.53/litre	SBD 15.00/litre
22042240	Alcoholic beverages of strength > 14%	SBD 150.28/litre	SBD 15.00/litre
22042920	Alcoholic beverages of strength > 3.5% <= 7%	SBD 19.48/litre	SBD 15.00/litre
22042930	Alcoholic beverages of strength > 7% <= 14%	SBD 24.53/litre	SBD 15.00/litre
22042940	Alcoholic beverages of strength > 14%	SBD 150.28/litre	SBD 15.00/litre
22043020	Alcoholic beverages of strength > 3.5% <= 7%	SBD 19.48/litre	SBD 15.00/litre
22043030	Alcoholic beverages of strength > 7% <= 14%	SBD 24.53/litre	SBD 15.00/litre
22043040	Alcoholic beverages of strength > 14%	SBD 150.28/litre	SBD 15.00/litre
22051020	Alcoholic beverages of strength > 3.5% <= 7%	SBD 19.48/litre	SBD 15.00/litre
22051030	Alcoholic beverages of strength > 7% <= 14%	SBD 24.53/litre	SBD 15.00/litre
22051040	Alcoholic beverages of strength > 14%	SBD 150.28/litre	SBD 15.00/litre
22059020	Alcoholic beverages of strength > 3.5% <= 7%	SBD 19.48/litre	SBD 15.00/litre
22059030	Alcoholic beverages of strength > 7% <= 14%	SBD 24.53/litre	SBD 15.00/litre
22059040	Alcoholic beverages of strength > 14%	SBD 150.28/litre	SBD 15.00/litre
22060020	Alcoholic beverages of strength > 3.5% <= 7%	SBD 19.48/litre	SBD 15.00/litre
22060030	Alcoholic beverages of strength > 7% <= 14%	SBD 24.53/litre	SBD 15.00/litre
22060040	Alcoholic beverages of strength > 14%	SBD 150.28/litre	SBD 15.00/litre
22071000	Undenatured ethyl alcohol >=80%	SBD 150.28/litre	SBD 15.00/litre
22082040	Alcoholic beverages of strength > 14%	SBD 150.28/litre	SBD 75.00/litre
22083040	Alcoholic beverages of strength > 14%	SBD 150.28/litre	SBD 75.00/litre
22084040	Alcoholic beverages of strength > 14%	SBD 150.28/litre	SBD 75.00/litre
22085040	Alcoholic beverages of strength > 14%	SBD 150.28/litre	SBD 75.00/litre
22086040	Alcoholic beverages of strength > 14%	SBD 150.28/litre	SBD 75.00/litre
22087040	Alcoholic beverages of strength > 14%	SBD 150.28/litre	SBD 75.00/litre
22089040	Alcoholic beverages of strength > 14%	SBD 150.28/litre	SBD 75.00/litre
27101211	Motor spirit leaded	SBD 0.50/litre	SBD 0.25/litre
27101212	Motor spirit unleaded	SBD 0.50/litre	SBD 0.25/litre
27101220	Aviation spirit	SBD 0.50/litre	SBD 0.25/litre
27101911	Automotive diesel fuel	SBD 0.50/litre	SBD 0.25/litre
27101912	Marine diesel fuel	SBD 0.50/litre	SBD 0.25/litre
27101919	Other diesel fuel	SBD 0.50/litre	SBD 0.25/litre
27111100	Petroleum gases and other gaseous hydrocarbons	SBD 0.30/kg	SBD 0.16/kg
27111200	Petroleum gases and other gaseous hydrocarbons	SBD 0.30/kg	SBD 0.16/kg
27111300	Petroleum gases and other gaseous hydrocarbons	SBD 0.30/kg	SBD 0.16/kg
27111400	Petroleum gases and other gaseous hydrocarbons	SBD 0.30/kg	SBD 0.16/kg
27111900	Petroleum gases and other gaseous hydrocarbons	SBD 0.30/kg	SBD 0.16/kg
27112100	Petroleum gases and other gaseous hydrocarbons	SBD 0.30/kg	SBD 0.16/kg
27112900	Petroleum gases and other gaseous hydrocarbons	SBD 0.30/kg	SBD 0.16/kg

[18] WTO document WT/TPR/S/349/Rev.1, 6 March 2017.

HS code	Product description	MFN rate	Bound rate
33021010	Odoriferous substances for the manufacture of alcoholic beverages	SBD 136.62/litre	SBD 15.00/litre
33021020	Odoriferous substances for the manufacture of alcoholic beverages	SBD 136.62/litre	SBD 15.00/litre
37069000	Certain cinematographic film	SBD 0.36/30 m	SBD 0.30/30 m

Note: Under HS heading 1211, a bound rate at 5% is applied to products other than chilled or frozen.

Source: WTO Secretariat preparations, based on data provided by the authorities.

Table 3.5 Tariff lines for which applied rates may exceed bound rates, 2024

HS code	Product description	MFN rate	Bound rate
24011000	Unmanufactured tobacco	SBD 2,558.823/kg	80.0%
24012000	Unmanufactured tobacco	SBD 2,558.823/kg	80.0%
24013000	Tobacco refuse	SBD 2,558.823/kg	80.0%
24021000	Cigars, cheroots and cigarillos	SBD 2,558.823/kg	SBD 150.00/litre
24022010	Cigarettes	SBD 2.171 per stick	SBD 150.00/litre
24022020	Cigarettes	SBD 2.171 per stick	SBD 150.00/litre
24029010	Cigarettes, cigars, etc. of tobacco substitutes	SBD 2.171 per stick	SBD 150.00/litre
24029090	Other of tobacco substitutes	SBD 2.171 per stick	SBD 150.00/litre
24031100	Water pipe tobacco	SBD 2,558.823/kg	SBD 150.00/litre
24031910	Chewing tobacco	SBD 2,558.823/kg	SBD 150.00/litre
24031920	Twist tobacco	SBD 2,558.823/kg	SBD 150.00/litre
24031930	Stick tobacco	SBD 2,558.823/kg	SBD 150.00/litre
24031940	Coarse shredded tobacco	SBD 2,558.823/kg	SBD 150.00/litre
24031990	Other tobacco	SBD 2,558.823/kg	SBD 150.00/litre
24039100	Homogenised or reconstituted tobacco	SBD 2,558.823/kg	SBD 150.00/litre
24039910	Tobacco extracts and essences	SBD 2,558.823/kg	SBD 150.00/litre
24039920	Snuff	SBD 2,558.823/kg	SBD 150.00/litre
24039930	Chewing tobacco	SBD 2,558.823/kg	SBD 150.00/litre
24039940	Twist tobacco	SBD 2,558.823/kg	SBD 150.00/litre
24039990	Other tobacco	SBD 2,558.823/kg	SBD 150.00/litre
27050000	Coal gas, water gas, etc.	10.0%	SBD 0.16/kg
27060000	Tar distilled from coal	10.0%	SBD 0.25/litre
27071000	Benzol	10.0%	SBD 0.25/litre
27072000	Toluol	10.0%	SBD 0.25/litre
27073000	Xylol	10.0%	SBD 0.25/litre
27074000	Naphthalene	10.0%	SBD 0.25/litre
27075000	Other aromatic hydrocarbon mixtures	10.0%	SBD 0.25/litre
27079100	Creosote oil	10.0%	SBD 0.25/litre
27079900	Oil	10.0%	SBD 0.25/litre
27081000	Pitch	10.0%	SBD 0.25/litre
27082000	Pitch coke	10.0%	SBD 0.25/litre
27101240	Naphtha	10.0%	SBD 0.25/litre
27101290	Other light oil	10.0%	SBD 0.25/litre
27101940	Lubricating oil and greases	10.0%	SBD 0.25/litre
27101950	Transmission oils	10.0%	SBD 0.25/litre
27101960	Transformer and heat transformer oils	10.0%	SBD 0.25/litre
27101970	Heavy fuel oil	10.0%	SBD 0.25/litre
27101980	Residual fuel oil	10.0%	SBD 0.25/litre
27101990	Other	10.0%	SBD 0.25/litre
27102000	Petroleum oils	10.0%	SBD 0.25/litre
27109100	Waste oils	10.0%	SBD 0.25/litre
27109910	Waste oils	10.0%	SBD 0.25/litre
27109990	Waste oils	10.0%	SBD 0.25/litre
33021090	Mixtures of a kind used for the manufacture of beverages	10.0%	SBD 15.00/litre
33029000	Mixtures of a kind used for the manufacture of beverages	10.0%	SBD 15.00/litre

Source: WTO Secretariat preparations, based on data provided by the authorities.

3.1.3.3 Tariff exemptions and concessions

3.23. Statutory customs duty exemptions are contained in Chapter 99 (Import Duty Exemption Schedules) of Solomon Islands' HS Tariff. These exemptions apply to (i) articles imported by the Governor-General, diplomats, international and regional organizations, consulates (and their staff) for official/personal use; (ii) motor vehicles imported by a contracting settler contracted by the Government; (iii) various fuels and supplies for aircraft and international airports and seaports (Section 4.4.3); (iv) various educational, scientific, and cultural articles; (v) drugs, medicines, medical and surgical goods, and goods for the relief of permanently disabled people; (vi) legacies; (vii) patterns and samples; (viii) religious goods, vestments for use in places of worship, tombstones and memorial tablets; (ix) goods for scientific and meteorological research; (x) legal tender currency notes imported by the Central Bank of Solomon Islands (CBSI); (xi) goods imported by registered charities; (xii) machinery, equipment, and chemicals imported by the SI Water Authority; (xiii) raw

materials, other inputs, and equipment imported by manufacturers and producers which involve a substantial transformation in the essential character of the goods (including machinery and parts but excluding tobacco, cigarettes, beer, spirits, and fuel); (xiv) import of goods within the framework of aid projects; (xv) consolidated manifests and airway bills; (xvi) goods imported by national and provincial governments (excluding foods, tobacco, cigarettes, wine, beer, and spirits); and (xvii) capital goods imported by Metropolis Pacific P/L trading as Mamara-Tasivarongo Development Project with some exclusions.

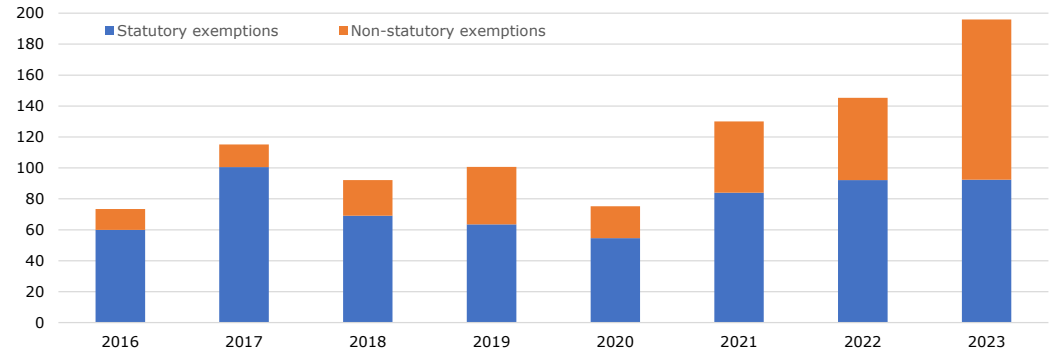
3.24. Reduced customs duty rates are contained in Chapter 98 of the HS tariff; these apply at zero rates to various gifts and personal effects and marine safety and marine life-saving goods. Goods exported for repair and reimported within one year may be imported at the duty rates at the time of import. Reduced import duty rates of 5% apply to raw materials or other inputs for manufacture consumed in the manufacture of goods in the Solomon Islands; capital equipment under a heading/subheading in Chapters 84, 85, or 90 of the customs tariff; and goods of all kinds that are required for the packaging of local products or used in the manufacture or repair of containers.

3.25. Part 2 of the Customs and Excise Act (as amended in 2012[19]) provides for non-statutory customs duty exemptions on imported goods. The Non-Statutory Exemptions Regulations of 2013 provide the framework and guidelines for the decision-making process (Section 3.3.1.2).[20]

3.26. Total revenue forgone from statutory and non-statutory customs duty exemptions over the review period ranged from just over SBD 73 million in 2016 to just under SBD 196 million in 2023. The value of exemptions granted has risen steadily since 2020, driven by an increase in the value of non-statutory exemptions (Chart 3.3).

Chart 3.3 Revenue forgone from statutory and non-statutory customs duty exemptions, 2016-23

(SBD million)



Source: Data provided by the authorities.

3.1.3.4 Tariff preferences

3.27. As indicated in Section 2.3.2.1 , Solomon Islands has four RTAs in force. For both the EU-Pacific States Interim EPA and the UK-Pacific States EPA, Solomon Islands is still in the "preparatory phase" prior to commencing tariff liberalization; this will start in 2025 under both agreements. As indicated in Section 2 , Solomon Islands completed full implementation of its tariff preferences under the Melanesian Spearhead Group Trade Agreement in 2017; imports from parties to the agreement are duty-free for all tariff lines meeting the originating requirements except HS Chapters 22 (beverages, spirits and vinegar) (except for 2201, 2202, and 2209); 24 (tobacco

[19] Customs and Excise (Amendment) (No. 2) Act (No. 8 of 2012). Viewed at: http://www.ird.gov.sb/Resource.aspx?ID=175. A guide to the new exemption process under Section 2 in operation since 2013 was viewed at: http://www.ird.gov.sb/Resource.aspx?ID=160.

[20] Revenue and Customs Exemption Committee Non-Statutory Exemptions Regulations 2013. Viewed at: https://www.paclii.org/cgi-bin/sinodisp/sb/other/SBGovGaz/2014/216.html?stem=&synonyms=&query=goods%20tax.

and unmanufactured tobacco substitutes); 27 (mineral fuels, mineral oils, and products of their distillation; bituminous substances; and mineral waxes) and cane sugar (HS 1701 1100).

3.28. Solomon Islands has not yet commenced tariff liberalization under the PACER Plus Agreement, as there is a 10-year standstill for LDCs. Tariff commitments will commence in year 11 following the entry into force of the Agreement (December 2020) or the year following the date of graduation from LDC status, whichever is later.[21]

3.1.4 Other charges affecting imports

3.29. The only other charge, other than customs duties, levied on imports is the goods tax (excise taxes are levied on domestic production only of tobacco, cigarettes, and alcohol, and sales taxes are levied at the retail level). The legislative basis for the tax is the Goods Tax Act (Cap. 122), as amended.[22]

3.30. For domestically produced goods, the tax is charged on the wholesale value. Domestic manufacturers and wholesalers collect the tax when they sell goods to retailers and then transfer it to the Inland Revenue Division (IRD).[23] Customs collects the tax on imported goods.[24] Tax rates have not changed and continue to be higher for imported goods, at 15%, than for prescribed domestically produced goods, at 10%. The goods tax rate on rice is 5%.[25] This discriminatory treatment was highlighted at the time of Solomon Islands' previous Review.[26] In the context of this Review, the authorities indicate that the planned introduction of the VAT and simultaneous abolition of the goods tax will resolve this issue (see below).

3.31. The tax is not applied to services that do not result in the manufacturing of a good, sales of real or intangible property, second-hand and goods, exported goods, and goods specifically exempt under the Act.[27] The latter are set out in the Goods Tax Act, Schedule I (this list was not available).

3.32. The Government is taking steps to introduce a value added tax. It is foreseen that this would replace the goods tax, sales tax, stamp duties, accommodation tax, and import duties; it is planned to be applied on imports and domestic production of goods and services at a rate of 15%.[28]

3.1.5 Import prohibitions, restrictions, and licensing

3.1.5.1 Import prohibitions and restrictions

3.33. Under the Customs and Excise Act, the Minister of Finance and Treasury can issue an order prohibiting exports of "any goods whatsoever" or to "any particular place".[29] The authorities indicate that this can be done by the Minister in consultation with other Ministers if the commodities are

[21] Annex 2-A, para. 4(b). Viewed at: https://www.dfat.gov.au/sites/default/files/pacer-plus-chapter-2.pdf.

[22] Goods Tax Act (Cap. 122). Viewed at: http://www.paclii.org/cgi-bin/sinodisp/sb/legis/consol_act/gta118/gta118.html?stem=&synonyms=&query=goods%20tax; and Goods Tax (Amendment) Act (No. 7 of 2018). Viewed at: http://www.paclii.org/sb/legis/num_act/gta2018198.pdf.

[23] Other instances when the goods tax can be charged are when goods are leased, given away for promotional purposes, used as samples, used in the repair of other goods, and transferred to stock for sale by retail by a manufacturer.

[24] As indicated in the previous Review, importers can defer payment until the imported goods are sold if they have been issued a goods tax certificate by the IRD. For imports where the person importing the good is not registered with the IRD, the sale value of the good is 130% of the sum of the c.i.f. customs value, plus import duties. No updates to this information were provided. WTO document WT/TPR/S/349/Rev.1, 6 March 2017, Section 3.1.5.

[25] Goods Tax (Second Schedule) (Amendment) Order 2019 – LN 73 of 2019. Viewed at: http://www.paclii.org/cgi-bin/sinodisp/sb/legis/sub_leg/gtaqtso2019l732019497/index.html?stem=&synonyms=&query=goods%20tax%20(second%20schedule).

[26] WTO document WT/TPR/M/349/Add.1, 6 February 2017.

[27] IRD, *Goods Tax*. Viewed at: http://www.ird.gov.sb/Article.aspx?ID=607.

[28] Value Added Tax Bill (No. 9 of 2023). Viewed at: https://www.parliament.gov.sb/sites/default/files/2023-09/Value%20Added%20Tax%20Bill%202023.pdf.

[29] Customs and Excise Act, Articles 33-34. Viewed at: Customs and Excise Act (Cap. 121). Viewed at: https://solomon-islands.tradeportal.org/media//Customs%20and%20Excise%20Act_2003%20consolidation.pdf.

regulated under another law. The goods to be prohibited or restricted to be imported are set out in the Second Schedule to the Customs and Excise Act.

3.34. Such import prohibitions include (i) counterfeit coins and currency; (ii) foods unfit for human consumption; (iii) indecent or obscene materials; (iv) bees, second-hand bee-keeping equipment and bee-derived products; (v) matches containing white or yellow phosphorus; (vi) merchandise marks not accompanied by an indication of the country in which the goods were produced; (vii) prepared opium and related utensils; (viii) goods bearing the Royal Arms of Great Britain in cases where the manufacturer does not have the authority to use them; (ix) fictitious stamps and instruments capable of making them; (x) knives which open automatically; (xi) solid hand-attached contraptions adapted to cause injury to persons; and (xii) certain second-hand clothing items (except those allowed, subject to import licence).[30]

3.35. On 1 September 2023, the Government introduced a ban on the importation of single-use plastic products (plastic shopping bags; plastic straws; plastic cups, plates, and cutlery; polystyrofoam takeaway containers, plates, and cups; and polyethylene terephthalate water bottles that contain less than 1.5 litres). The manufacture and distribution of single-use plastic products and the sale and supply to retail outlets of single-use plastic products have been prohibited since 1 March 2024.[31]

3.36. Section 40B of the Firearms and Ammunition (Amendment) Act prohibits the importation of imitation firearms.[32] Under the Dangerous Drugs Act, import prohibitions are maintained on raw opium, coca leaf, and Indian hemp and resins obtained from Indian hemp and their preparations, as well as seeds of opium, poppy, Indian hemp, and coca leaf (Part I, Articles 4 and 5) and prepared opium (Part II, Article 11).[33]

3.37. An Environment Bill, if enacted, would give the Minister the authority to prohibit the import (and export) of hazardous waste through the issuance of an Order to be published in the Gazette.[34] Information was not available on the state of play of enactment of this Bill. Under Article 51 of the Pharmacy and Poisons Act, the Deputy Secretary (Health) of the Ministry of Health and Medical Services has the authority to prohibit the import of any drug, instrument, or appliance deemed likely to be injurious to people's health or well-being.[35] Information was not available on whether any such items have been prohibited.

3.38. As set out in the Second Schedule to the Customs and Excise Act, absolute and ethyl alcohol may only be imported in quantities determined by the Comptroller of Customs for approved purposes, and used clothing, linen, jute sacks, and industrial rags may only be imported if the Comptroller of Customs is satisfied that the articles have been sterilized, disinfested, or disinfected.[36] Quantitative restrictions are also applied to imports of ozone-depleting substances.[37]

3.1.5.1.1 Import licensing

3.39. Import licensing requirements apply to various products, seemingly for reasons of protection of public safety, health, or the environment. New import licensing requirements were introduced on

[30] Customs and Excise Act, Section 33. Viewed at: https://solomon-islands.tradeportal.org/media//Customs%20and%20Excise%20Act_2003%20consolidation.pdf.
[31] Environment (Single Use Plastic Ban) Regulations 2023. Viewed at: https://solomons.gov.sb/wp-content/uploads/2023/09/Gaz-No.-102-Sup-No.-42-Friday-1st-September-2023.pdf.
[32] Firearms and Ammunition (Amendment) Act 2000. Viewed at: https://www.paclii.org/sb/legis/num_act/faaa2000317/.
[33] Dangerous Drugs Act. Viewed at: https://solomon-islands.tradeportal.org/media//dda180.pdf.
[34] Environment Bill 2023. Viewed at: https://solomonislands-data.sprep.org/index.php/system/files/ECD%20Environment%20Bill%20Clean%20version%20-%20v10%2009.02.23%20%281%29.pdf.
[35] Pharmacy and Poisons Act. Viewed at: https://solomon-islands.tradeportal.org/media//papa214.pdf.
[36] Customs and Excise Act, Second Schedule, Prohibited and Restricted Imports, Articles 1 and 5. Viewed at: https://solomon-islands.tradeportal.org/media//Customs%20and%20Excise%20Act_2003%20consolidation.pdf.
[37] Ministry of Mines, Energy and Rural Electrification. Viewed at: https://solomons.gov.sb/public-notice-attention-to-all-importers-of-refrigerant-gases/.

refrigerant gases to implement Solomon Islands' commitments under the Montreal Protocol (in 2023[38]) and certain wildlife specimens, under the CITES Convention (in 2017[39]).

3.40. Only licensed persons may import firearms and ammunition (the police), medicines and poisons, and refrigerant gases, and can trade in certain wildlife specimens.[40] Solomon Islands has yet to notify to the WTO its import licensing procedures and the questionnaire on import licensing.

3.41. The Second Schedule to the Customs and Excise Act lists several of the goods subject to import licensing/authorization requirements[41]:

- Arms and ammunition;
- Cannabinoids; cannabis plant, flower, or resin; and tetrahydrocannabinols;
- Stupefying or tear gas and appliances for firing or using such gas;
- Tobacco extracts, essences, or other concentrations of tobacco, or any admixture thereof, tobacco stalks and tobacco stalk flour;
- Electrical machinery, apparatus, and appliances designed to be connected to any electricity supply system; and
- All fireworks other than distress, light, or sound signals and rockets and other pyrotechnics forming part of the safety equipment or stores of a vessel or aircraft.

3.42. Under Part III of the Dangerous Drugs Act, import authorizations are required for dangerous drugs.[42] Imports of live fish require a licence under Article 59 of the Fisheries Management Act.[43] Other import permits or licences are required for SPS reasons are set out in Section 3.3.3.

3.43. Information was not available as to whether the above-mentioned import licences are granted automatically or non-automatically.

3.1.6 Anti-dumping, countervailing, and safeguard measures

3.44. As at the time of its previous Review, and as notified by the Government to the WTO[44], Solomon Islands does not have any safeguard, anti-dumping, or countervailing duty legislation.

3.45. The Protected Industries Act, 1954 permits the granting of orders to restrict imports that may affect particular industries. Information was not available regarding whether any such orders have been granted since January 2016.

3.2 Measures directly affecting exports

3.2.1 Customs procedures and requirements

3.46. According to the authorities, there were no changes to customs procedures and export requirements over the review period. No registration requirements apply to exporters who have a tax identification number. As before, a bill of lading, commercial invoice, packing list, port handling

[38] Ministry of Mines, Energy and Rural Electrification, *Public Notice: Attention to All Importers of Refrigerant Gases*. Viewed at: https://solomons.gov.sb/public-notice-attention-to-all-importers-of-refrigerant-gases/.

[39] Wildlife Protection and Management (Amendment) Act (No. 5 of 2017). Viewed at: http://www.paclii.org/sb/legis/num_act/wpama2017397.pdf.

[40] Pharmacy and Poisons Act, Parts V and VI; Wildlife Protection and Management (Amendment) Act (No. 5 of 2017).

[41] Customs and Excise Act, Second Schedule. Viewed at: https://solomon-islands.tradeportal.org/media//Customs%20and%20Excise%20Act_2003%20consolidation.pdf.

[42] Dangerous Drugs Act, Cap 98. Viewed at: https://solomon-islands.tradeportal.org/media//dda180.pdf.

[43] Fisheries Management Act (No. 2 of 2015). Viewed at: https://faolex.fao.org/docs/pdf/sol153557.pdf.

[44] WTO document G/ADP/N/1/SLB/1, G/SCM/N/1/SLB/1, G/SG/N/1/SLB/1, 9 July 2024.

receipts, and customs declaration, as well as export licences if required, must be lodged with Customs. According to the authorities, all customs declarations for goods of a commercial nature must be filed electronically through the ASYCUDA World system. This may be done by companies that have received ASYCUDA training or by a Customs agent. The authorities indicate that they are yet to track export clearance times in ASYCUDA.

3.2.2 Taxes, charges, and levies

3.47. Export duties apply to certain live animals; fish and fish products; ivory and turtle or tortoise shell; corals and shells; rattan; gold, silver and other precious metal ores and concentrates, gold and silver products; crocodile skin; round logs, other wood products; and waste and scrap from iron, steel, copper, and aluminium. In total, these apply to 290 tariff lines at the HS 8-digit level. Most rates are *ad valorem*, ranging from 1.5% to 30%. Specific duties apply to round logs and to iron and steel waste and scrap. As indicated by the authorities, export duties are seen as being the easiest and most efficient way to levy resource taxes, given the enforcement constraints in Solomon Islands resulting from its topography.

3.48. Duty rates are contained in the First Schedule to the Customs and Excise Act, most recently amended in May 2023, except for round logs. For round logs, the duty rates are determined by the responsible Minister by ministerial order. The current rates were set in February 2022; they are payable in USD per m^3, and vary depending on the species of tree and the grade of logs (Table 3.6). Over the review period, the value of export duties collected peaked in 2018 (at nearly SBD 800 million) and progressively declined to just over SBD 300 million in 2023 (Table 3.8).

3.49. The EU-Pacific States and UK-Pacific States Interim EPAs have provisions preventing the imposition of duties and charges in connection with exports, except when they are needed for fiscal solvency reasons or to protect infant industries (under certain conditions). The authorities indicate that Solomon Islands is using the exception for fiscal reasons.

Table 3.6 Export duty rates, 2023

Commodities	HS Code (number)	Duty charged (% unless otherwise indicated)
Live animals	0106.1210 *(Dolphins and porpoises)* (1)	25
	0106.2010; 0106.2020; 0106.2030; 0106.2090; 0106.3100; 0106.3210; 0106.3220; 0106.3300; 0106.3901; 0106.3990; 0106.4100; 0106.4910; 0106.4990; 0106.9010; 0106.9090 *(Certain other reptiles, birds, insects, frogs, etc.) (15)*	10
Live fish	0301.1100; 0301.1900; 0301.9100; 0301.9200; 0301.9300; 0301.9400; 0301.9500; 0301.9910; 0301.9920; 0301.9930; 0301.9940; 0301.9991; 0301.9999 (13)	10
Fresh or chilled fish (excluding fish fillets and other fish meat of heading 03.04)	0302.3100; 0302.3200; 0302.3300; 0302.3400; 0302.3500; 0302.3600; 0302.3900; 0302.4700; 0302.4910; 0302.4920; 0302.4990 (11)	5
	0302.9200 (shark fins) (1)	20
Frozen fish (excluding fish fillets and other fish meat of heading 03.04)	0303.4100; 0303.4200; 0303.4900; 0303.4300; 0303.4400; 0303.4500; 0303.4600 *(tunas)* (7)	5
	0303.5700 *(swordfish)* (1)	10
	0302.9200 *(shark fins)* (1)	20
Fresh, chilled or frozen fish fillets and other fish meat	0304.3100; 0304.3200; 0304.3300; 0304.3900; 0304.4100; 0304.4200; 0304.4300; 0304.4400; 0304.4500; 0304.4600; 0304.4700; 0304.4800; 0304.4900; 0304.5100; 0304.5200; 0304.5300; 0304.5400; 0304.5500; 0304.5600; 0304.5700; 0304.5900; 0304.6100; 0304.6200; 0304.6300; 0304.6900; 0304.7100; 0304.7200; 0304.7300; 0304.7400; 0304.7500; 0304.7900; 0304.8100; 0304.8200; 0304.8300; 0304.8400; 0304.8500; 0304.8600; 0304.8700; 0304.8800; 0304.8900; 0304.9100; 0304.9200; 0304.9300; 0304.9400; 0304.9500; 0304.9600; 0304.9700; 0304.9910; 0304.9920; 0304.9930; 0304.9940; 0304.9950; 0304.9990 *(various)* (53)	5
Fish, dried salted or in brine, and smoked fish	0305.2000; 0305.3100; 0305.3200; 0305.3900; 0305.4100; 0305.4200; 0305.4300; 0305.4400; 0305.4910; 0305.4920; 0305.4930; 0305.4990; 0305.5100; 0305.5200; 0305.5300; 0305.5400; 0305.5900; 0305.5900; 0305.5900; 0305.5900; 0305.6100; 0305.6200; 0305.6300; 0305.6400; 0305.6910; 0305.6920; 0305.6930; 0305.6940; 0305.6990; 0305.7100; 0305.7200; 0305.7900 *(various)* (32)	20

Commodities	HS Code (number)	Duty charged (% unless otherwise indicated)
Crustaceans, molluscs and other aquatic invertebrates other than crustaceans and molluscs	0306.1110; 0306.1190; 0306.1200; 0306.1410; 0306.1420; 0306.1490; 0306.1500; 0306.1600; 0306.1700; 0306.1900; 0306.3110; 0306.3190; 0306.3210; 0306.3290;0306.3311; 0306.3319; 0306.3390; 0306.3410; 0306.3490; 0306.3510; 0306.3590; 0306.3610; 0306.3690; 0306.9100; 0306.9200; 0306.9310; 0306.9320; 0306.9390; 0306.9400; 0306.9500; 0307.1110; 0307.1190; 0307.1200; 0307.1900; 0307.2110; 0307.2190; 0307.2200; 0307.2900; 0307.3110; 0307.3190; 0307.3200; 0307.3910; 0307.3990; 0307.4210; 0307.4290; 0307.4300; 0307.4900; 0307.5110; 0307.5190; 0307.5200; 0307.5900; 0307.6010; 0307.6090; 0307.7110; 0307.7190; 0307.7200; 0307.7900; 0308.1110; 0308.1120; 0308.1190; 0308.1200; 0308.1900 (62)	10
Ivory; ivory powder and waste; turtle or tortoise shell	0507.1000; 0507.9010 (2)	10
Corals and shells	0508.0019; 0508.0031 *(corals and trochus shell)* (2)	10
	0508.0032; 0508.0033; 0508.0034 *(mother of pearl, green snail and blacklips shells)* (3)	30
Rattans, raw or dried	1401.2010 (1)	30
Silver ores and concentrates	2616.1000 (1)	5
Alluvial gold and concentrates and other precious metal ores and concentrates	2616.9010; 2616.9090 (2)	15
Antimony ores and concentrates and other ores and concentrates	2617.1000; 2617.9000 (2)	15
Crocodile skin	4103.2010 (1)	10
Round logs	4403.1100; 4403.1200; 4403.2100; 4403.2200; 4403.2300; 4403.2400; 4403.2500; 4403.2600; 4403.4100; 4403.4200 4403.4910; 4403.4920; 4403.4930; 4403.4940; 4403.4950; 4403.4960; 4403.4970; 4403.4980; 4403.4990; 4403.9100; 4403.9300; 4403.9400; 4403.9500; 4403.9600; 4403.9700; 4403.9800; 4403.9900 (27)	Rates as determined by Minister (Table 3.7)
Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6 mm	4407.1100; 4407.1200; 4407.1300; 4407.1400; 4407.1900; 4407.1910; 4407.1990; 4407.2110; 4407.2190; 4407.2200; 4407.2310; 4407.2390; 4407.2500; 4407.2600; 4407.2700; 4407.2800; 4407.2910; 4407.2920; 4407.2930; 4407.2940; 4407.2950; 4407.2960; 4407.2970; 4407.2980; 4407.2990; 4407.9100; 4407.9200; 4407.9300; 4407.9400; 4407.9500; 4407.9600; 4407.9911; 4407.9912; 4407.9914; 4407.9990 (36)	2.5
Silver powder, unwrought silver and semi-manufactured silver	7106.1000; 7106.9100; 7106.9200 (3)	20
Gold powder, unwrought gold and semi-manufactured gold	7108.1100; 7108.1200; 7108.1300 (3)	1.5
Gold in monetary form	7108.2000 (1)	5
Iron and steel waste and scrap	7204.1000; 7204.2100; 7204.2900; 7204.3000; 7204.4100; 7204.4900; 7204.5000 (7)	SBD 1.50/tonne
Copper and aluminium waste and scrap	7404.0000; 7602.0000 (2)	15

Source: Amendment to First Schedule of Customs and Excise Act S.I. No. 21 (31 May 2023). Viewed at: https://solomons.gov.sb/wp-content/uploads/2023/05/Gaz-No.-56-Sup-No.-21-Wednesday-31st-May-2023.pdf.

Table 3.7 Export duty rates for round logs, 2023

	Rates payable in USD/m³ Grade	
	Regular and small grade	Super small and low grade
Palaquim (Pecil Cedar)	33	30
Calophyllum	35	31
Pometia (Taun, Akwa)	33	30
Planchonella	31	28
Schizomeria (Beabea)	29	26
Dilenia	27	23
Gonostylus (Ramin)	28	24
Terminalia Brassil	28	23
Terminalia (Except T, Brassil)	24	21
Terminalia Calamansanai	24	21
Canarium (Gnali)	26	22
Burkella	26	21
Celtis	22	19
Alstonia (Milky Pine)	22	19
Dysoxyllum	22	20
Eugenia (Water Gum)	24	19
Endospermum	22	19
Mixed species	22	19
Amoora	22	19

	Rates payable in USD/m³ Grade	
	Regular and small grade	Super small and low grade
Campnosperma	24	20
Maranthes	21	18
Parinari	21	18
Others	35	31

Source: Customs and Excise (Export Duty Rates for Round Logs) (First quarter) (Amendment) Order 2022. SI Gazette LN No. 69 of 2022. Viewed at: https://solomons.gov.sb/wp-content/uploads/2022/02/Gaz-No.-69-Sup-No.-64-Thursday-17th-February-2022.pdf.

3.2.3 Export prohibitions, restrictions, and licensing

3.50. Under the Customs and Excise Act, the Minister of Finance and Treasury can issue an order prohibiting exports of "any goods whatsoever" or to "any particular place".[45] The authorities indicate that this can be done by the Minister in consultation with other Ministers if the commodities are regulated under another law. The goods that are prohibited or restricted from being exported are set out in the Third Schedule to the Customs and Excise Act.

3.51. Export of the following items are prohibited: baitfish, under the Third Schedule to the Customs and Excise Act[46], and certain narcotics (raw opium, coca leaf, and Indian hemp (and their seeds); prepared opium and utensils for their use), under the Dangerous Drugs Act, Parts I and II.[47] The export of certain high-value wood species is also prohibited (Section 4.1.4).

3.52. Export licences are required for (i) oils, liquids, and spirits derived from any petroleum, shale, coal, peat, bitumen, or similar substance (except oil used for lubricating purposes or having a flash point above 200°F), under the Third Schedule to the Customs and Excise Act; certain birds, mammals, reptiles, plants and fish under Schedule 1 of the Wildlife Protection and Management Act 1998[48]; (ii) certain CITES-protected wildlife specimens under the Wildlife Protection Management Act (Amendment) Act[49]; (iii) war relics under the Protection of Wrecks and War Relics Act[50]; (iv) gold under the Part VII of the Mines and Minerals Act[51]; (v) certain medicines under the Dangerous Drugs Act; (vi) firearms and ammunition under the Firearms and Ammunition Act; and (vii) live fish under the Fisheries Management Act.[52]

3.53. Exporters of copra, cocoa, and palm oil must be licensed by the Commodities Export Marketing Authority (CEMA) to export these products. Licence fees are SBD 5,000 for cocoa and copra, and SBD 50,000 for exporters of palm oil, with licences being valid for 12 months. Licence fees are used to finance the CEMA's operations. In 2019, which is the latest available data, the CEMA's revenue from licences granted to exporters of copra was SBD 18,288, SBD 83,619 for cocoa, and SBD 50,000 for palm oil.[53] Gold traders must be licensed by the Director of Mines; they may only be citizens of Solomon Islands.[54] According to the authorities, exporters in the mining, marine, forestry, wildlife, and agriculture sectors need to be licensed and obtain permits certified by a responsible person

[45] Customs and Excise Act (Cap. 121). Viewed at: https://solomon-islands.tradeportal.org/media//Customs%20and%20Excise%20Act_2003%20consolidation.pdf;
[46] Customs and Excise Act, Third Schedule. Viewed at: https://solomon-islands.tradeportal.org/media//Customs%20and%20Excise%20Act_2003%20consolidation.pdf.
[47] Dangerous Drugs Act (Cap. 98). Viewed at: https://solomon-islands.tradeportal.org/media//dda180.pdf.
[48] Wildlife Protection and Management Act (No. 10 of 1998). Viewed at: https://solomon-islands.tradeportal.org/media//wpama1998317.pdf.
[49] Wildlife Protection and Management (Amendment) Act (No. 5 of 2017). Viewed at: https://www.paclii.org/sb/legis/num_act/wpama2017397/.
[50] Protection of Wrecks and War Relics Act (Cap. 150), Article 6. Viewed at: https://solomon-islands.tradeportal.org/media//powawra353.pdf.
[51] Mines and Minerals Act (Cap. 42). Viewed at: http://www.paclii.org/sb/legis/consol_act/mama175/.
[52] Fisheries Management Act (No. 2 of 2015), Article 59. Viewed at: https://faolex.fao.org/docs/pdf/sol153557.pdf.
[53] CEMA, *Financial Statements for the Year Ended 31 December 2019*. Viewed at: https://www.oag.gov.sb/audits/financial-audits/government-agencies/state-owned-enterprises/commodity-export-marketing-authority-cema/254-2019-cema-financial-statements-audit-opinion/file.html.
[54] Mines and Minerals Act (Cap. 42), Part IV.

before exporting. This also applies to exporters under CITES and the Conservation and Management Act.

3.2.4 Export support and promotion

3.54. The Marketing and Exports Promotion Division within the Ministry of Commerce, Industry, Labour and Immigration (MCILI) remains responsible for promoting exports and supporting export-related industries through providing market information and promoting products in international and local trade shows.[55] According to the authorities, the budget for participation in trade fairs was SBD 2 million for 2023.

3.55. Since 2020, the Marketing and Exports Promotion Division has provided a freight subsidy for exporters who have a contract with a buyer overseas. This covers 100% of the cost of the freight. Data were not available on the total cost of this subsidy.

3.56. Solomon Islands does not have any export processing zones or special economic zones to support export-orientated industries. A Special Economic Zone Bill has been drafted and endorsed by the Cabinet. As a next step, the bill will be brought before Parliament; according to the Government, it will focus on large investments in the agriculture, fish, and tourism sectors and will target downstream processing for export.[56] Exports are exempt from excise and goods taxes.

3.57. As indicated by the authorities, an Export Development Strategy is being prepared, with support from the European Union.

3.2.5 Export finance, insurance, and guarantees

3.58. An Export Credit Facility is operated by the Development Bank of Solomon Islands (DBSI) together with the MCILI and the MOFT. It provides working capital for exporters in certain sectors, including for buying equipment and export-related expenses.[57] Information was not available on the eligible sectors, disbursements made under the facility, or loan interest rates.

3.3 Measures affecting production and trade

3.3.1 Taxation and Incentives

3.3.1.1 Taxation

3.59. The Government's main sources of revenue in 2023 were the goods tax and personal income tax, contributing for 26% and 15% of total government revenue, respectively. Import duties accounted for 10% of government revenue; export duties (13%); excise duties (12%), and corporate income tax (11%) (Table 3.8).

3.60. Resident companies (i.e. companies incorporated in Solomon Islands) are subject to an income tax rate of 30%, while non-resident companies are charged 35%.[58] Personal income tax rates differ depending on the income bracket, with the highest rate of 40% applying to those earning SBD 60,001 and over. Other tax rates (and the respective tax exemptions applied) are contained in Section 3.2.1 and Section 3.2.2).

[55] MCILI, *About the Division*. Viewed at: https://www.commerce.gov.sb/departments-units/marketing-and-export-promotions/about-the-division.html.
[56] Office of the Prime Minister and Cabinet (2023), "More than 10 Bills for 2023", 17 April. Viewed at: https://solomons.gov.sb/more-than-10-bills-for-2023/.
[57] DBSI, *Export Credit Facility*. Viewed at: https://dbsi.sb/export-credit-facility/#:~:text=The%20Export%20Credit%20facility%20is,finance%20for%20export%20businesses%20in.
[58] IRD, *Tax Rates*. Viewed at: http://www.ird.gov.sb/Article.aspx?ID=613.

Table 3.8 Tax revenue, 2018-23

(SBD million)

	2018	2019	2020	2021	2022	2023[a]
Tax revenue	3,306.2	2,966.60	2,705.20	2,676.2	2,609.4	2,776.70
Inland Revenue Division	1,983.0	1,969.10	1,742.40	1,782.9	1,783.9	1,783.80
Company tax	306.6	301.60	317.70	280.5	269.30	303.80
Personal tax	500.7	509.50	406.40	412.1	446.10	415.90
Withholding tax	285.7	294.20	284.00	301.6	267.50	279.70
Goods tax	775.2	755.70	630.50	684.8	735.50	682.00
Sales tax	83.5	77.70	72.80	74.3	68.10	71.50
Stamp duty	15.5	13.00	11.80	11.1	15.40	12.60
Licence revenue	15.7	17.40	19.20	18.6	17.90	18.20
Customs and excise revenue	1,323.2	997.50	962.80	893.3	825.50	992.90
Import duty	293.7	246.20	256.20	272.6	248.30	288.60
Export duty	794.2	562.20	480.70	411.4	325.30	362.20
of which: export duty on logs	789.8	541.40	477.00	406.4	321.20	357.60
Excise duty	232.7	188.00	220.50	201.8	247.20	334.10
Fees, charges and other	2.6	1.10	5.40	7.5	4.70	8.00

a Figures are based on budget estimates.

Source: Solomon Islands Government, *2024 Budget Strategy and Operational Rules*. Viewed at: https://solomons.gov.sb/ministry-of-finance-and-treasury/budget-documents/.

3.3.1.2 Incentives

3.61. The Minister of Finance and Treasury may provide, by order, non-statutory exemptions from (i) customs and excise duties under Section 2 of the Customs and Excise Act[59]; (ii) income tax under Section 9 of the Income Tax Act[60]; (iii) goods tax under Section 37(2) of the Goods Tax Act[61]; (iv) sales tax under Section 6 of the Sales Tax Act[62]; and (v) stamp duties under Section 3.3 of the Stamp Duties Act.[63] Applications for exemptions made to the MOFT Exemption Committee, which advises the Minister, are treated on a case-by-case basis. The Customs and Excise (Revenue Customs Exemption Committee – Non-statutory exemptions) Regulations 2013 provide the guidelines for reviewing such applications.[64] Applications for exemption from import duties and goods tax respectively on imported capital goods under the Customs and Excise Act and under the Goods Tax Act are restricted to goods used (i) in new businesses operating in Solomon Islands; (ii) to modernize/expand existing business operations; and (iii) in development of rural communities. In addition, goods tax exemption applications that are also eligible include capital goods used to replace buildings, plant, and equipment destroyed during a disaster and for the development/enhancement of tourism operations. For all applications, the Committee is required to assess the project, investment, or transaction's economic benefit and whether it will further the national interest.[65]

3.62. The authorities indicate that during the period 2020-24, tax holidays were given to tourism businesses to mitigate the impact of the COVID-19 pandemic.

[59] Customs and Excise (Amendment) (No. 2) Act (No. 8 of 2012). Viewed at: http://www.ird.gov.sb/Resource.aspx?ID=175.

[60] Income Tax Act (Cap. 123). Viewed at: http://www.paclii.org/cgi-bin/sinodisp/sb/legis/consol_act/ita116/ita116.html?stem=&synonyms=&query=income%20tax%20act.

[61] Goods Tax Act (Cap. 122). Viewed at: http://www.paclii.org/cgi-bin/sinodisp/sb/legis/consol_act/gta118/gta118.html?stem=&synonyms=&query=goods%20tax.

[62] Sales Tax Act (Cap. 125). Viewed at: http://www.paclii.org/cgi-bin/sinodisp/sb/legis/consol_act/sta114/sta114.html?stem=&synonyms=&query=sales%20tax. Article 6 was amended in 2004. Sales Tax (Amendment) Act 2004. Viewed at: http://www.paclii.org/cgi-bin/sinodisp/sb/legis/num_act/sta2004194/sta2004194.html?stem=&synonyms=&query=sales%20tax.

[63] Stamp Duties Act (Cap. 126). Viewed at: https://www.paclii.org/cgi-bin/sinodisp/sb/legis/consol_act/sda157/sda157.html?stem=&synonyms=&query=stamp%20duties%20act.

[64] The Customs and Excise (Revenue Customs Exemption Committee – Non-statutory exemptions) Regulations 2013 were not available online.

[65] Factors considered to further the national interest are defined in the 2013 Regulations as is a framework for assessing economic benefits and costs.

3.63. The Government supports small and medium-sized businesses by facilitating their access to credit via certain schemes[66]:

- **The Small and Medium Enterprise Credit Guarantee Scheme.** Introduced in 2005, this scheme is run by the CBSI on behalf of the MCILI, and in cooperation with credit institutions and the partner financial institutions regulated by the CBSI. It aims to help SMEs that do not have enough collateral to secure a loan, by guaranteeing 90% of the unsecured part of the credit. The minimum guarantee is SBD 50,000 and the maximum SBD 300,000. SMEs must be 80% owned and controlled by indigenous Solomon Islanders. Loans for all business activities are covered except for (i) gambling-, alcohol-, and tobacco-related activities; (ii) harvesting and logging of indigenous forest, other than timber milling and other downstream processing activities; and (iii) agriculture, resource development, and seafood projects that do not have government approval or licences. The budget allocated for the programme in 2024 was SBD 3 million.

- **MSME Credit Line Facility.** Introduced in 2020 and operationalized in July 2021, this facility is run by the MCILI and the DBSI. It provides loans to MSMEs in the productive sectors (agriculture, fisheries, tourism, forestry, and cooperatives) and women inclusion and youth entrepreneurship initiatives, with an interest rate of 8%. Loans range from SBD 10,000 to SBD 3 million with a term of between three and six years. The initial investment was SBD 10 million in 2020. In 2024, SBD 5.5 million was added.

- **Export Credit Facility.** Introduced in September 2021 (Section 3.2.4).

3.64. The DBSI also provides the following additional facilities to support businesses:

- **Tourism Support Facility.** The DBSI provides loans, interest payment support, and loan guarantees to tourism operators to upgrade/expand tourism products (including to upgrade facilities, fund renewable energy, and assist with transport components). Loan interest rates are 8% with a term of maximum 5 years. The minimum loan that can be taken out is for SBD 50,000 and the maximum SBD 300,000.[67] This facility was introduced in May 2021.

- **Livelihoods and Investments Facility.** This facility provides development loans. The aim is to enable beneficiaries to develop traditionally owned land and undertake activities in the productive sectors. To be eligible, the borrower must be a Solomon Islands citizen of legal age who has been employed for at least two years. Minimum loans are SBD 5,000 and maximum, in principle, SBD 75,000. The loan term is a maximum of five years.[68] This facility was launched in June 2020.

- **Agriculture Grant Support Facility.** The facility consists of (i) loans to existing farmers, processors, and exporters to expand/consolidate agriculture activities to improve production, processing, and export capabilities; (ii) interest payment support to processors who have obtained loans to expand operations; (iii) loan guarantees to farmers, processors, and exporters who have obtained loans to expand/upgrade production. Solomon Islands-registered farmers, processors, and exporters are eligible to apply. Interest rates are 8% for a maximum of five years. Loans are a minimum of SBD 50,000 and a maximum of SBD 300,000.[69] This facility was launched in June 2021.

3.65. The Small Business Enterprise Centre, which falls under the MCILI, continues to provide training and business support to businesses. The budget allocation for 2024 was SBD 500,000.

3.66. As indicated by the authorities, a Value-Added and Downstream Processing Programme was initiated in 2021. It has an annual budget allocation of SBD 6 million. It is focused mainly on food processing, labelling of food products, cocoa processing and downstream activities, and youth

[66] CBSI, *Understanding the Finance Facilities/Schemes to Support MSMEs*. Viewed at: https://www.cbsi.com.sb/understanding-the-finance-facilities-schemes-to-support-msmes.
[67] DBSI, *Tourism Support Facility*. Viewed at: https://dbsi.sb/tourism-support-facility/.
[68] DBSI, *Livelihoods and Investments Faciltity (LAIF)*. Viewed at: https://dbsi.sb/livelihoods-and-investments-facility-laif/.
[69] DBSI, *Agriculture Grant Support Facility*. Viewed at: https://dbsi.sb/agriculture-grant-support-facility/.

entrepreneurship and innovation. It provides machines and equipment to small businesses as well as grant support, ranging from SBD 10,000 to SBD 300,000.

3.67. Solomon Islands has not submitted any subsidies notifications to the WTO SCM Committee under Article 25.1 of the SCM Agreement.

3.3.2 Standards and other technical requirements

3.68. As at the time of its previous Review, Solomon Islands has a very limited institutional and legal framework to set and enforce standards and technical regulations and undertake conformity assessments.[70] It has neither designated an entity responsible for answering enquiries about technical regulations, conformity assessments, and standards, nor has it made any notifications under the TBT Agreement. As indicated in the National Development Strategy 2016-2035 (Section 1.2), Solomon Islands is cognisant of the importance of developing weights and measures regulations and quality standards in the context of reducing business costs and developing a predictable regulatory framework.[71] To this end, Solomon Islands has developed a National Quality Infrastructure Policy, with the assistance of USAID, which covers metrology, standardization, accreditation, and conformity assessment. As of mid-2024, it had not yet been submitted to the Cabinet for approval.

3.69. The Consumer Affairs and Price Control Division within the MCILI has responsibility for metrology-related issues; the governing law is the Weights and Measures Act.[72] According to the authorities, the Act is out of date and assistance is being sought to review the legal and regulatory framework. Solomon Islands does not have a weights and measures laboratory.

3.70. A Pacific Quality Infrastructure Initiative was established in 2017 by the Pacific Islands Forum (PIF) (Section 2.3.3), with the objective of pooling members' resources and expertise to achieve shared priorities. Technical committees have been established in the areas of food and food products, building and construction, and metrology. According to the authorities, work is being undertaken to develop regional standards on frozen cassava and building standards. Training and information-sharing activities have been undertaken under this initiative and some equipment including weights and scales has been provided. In 2020, PIF Trade Ministers endorsed a medium-term framework for quality infrastructure regional actions.[73]

3.3.2.1 Standards

3.71. As at the time of Solomon Islands' previous Review, there is no centralized standardizing body and no concrete projects to create one. Standards (i.e. voluntary standards) continue to be adopted and administered by various government agencies and ministries. Neither a comprehensive list of all entities involved in adopting and administering standards nor a list of standards being applied was available.

3.3.2.2 Technical regulations and conformity assessment

3.72. As indicated in Solomon Islands' previous Review, technical regulations (i.e. mandatory standards) and conformity assessment procedures may be embodied in laws or subsidiary legislation. The administrative procedure for their adoption is described in the previous Review.[74] The MCILI has authority to adopt technical regulations under the Consumer Protection Act.[75] A list

[70] At the time of its previous Review, Solomon Islands indicated that in order to improve compliance with, and implement, the TBT Agreement, technical support was required, including help to establish and build the capacity of an assigned body to coordinate with the relevant agencies responsible for products that would fall under the TBT Agreement, as well as to draft legislation (WTO document WT/TPR/G/349, 8 November 2016).

[71] Ministry of Development Planning and Aid Coordination (2016), *National Development Strategy, 2016 to 2035*, p. 20. Viewed at: https://solomons.gov.sb/wp-content/uploads/2020/02/National-Development-Strategy-2016.pdf.

[72] Weights and Measures Act (Cap. 155). Viewed at: http://commerce.gov.sb/activities-updates/resources/legislation.html?task=document.viewdoc&id=146.

[73] PIF. Viewed at: https://forumsec.org/pacific-quality-infrastructure.

[74] WTO document WT/TPR/S/249/Rev.1, 6 March 2017 (para. 46).

[75] Under the Consumer Protection Act, Section 12, the Minister of the MCILI can regulate product safety or quality standards for any specified kind of goods.

of other ministries/agencies in charge of adopting technical regulations in other areas was not available. In the context of this Review, the authorities expressed concern that the absence of technical regulations may be leading to substandard products being allowed enter the market.

3.73. There is no inventory of technical regulations and conformity assessment procedures. The following technical regulations have been identified in the context of this (and previous) Review(s):

- Brandy, whisky, and rum. Governing legislation: Customs and Excise Act. Brandy and whisky must have been matured by storage in wood for not less than three years; rum for not less than two years. Information was not available on how conformity is assessed.

- Electrical products. Governing legislation: Consumer Protection Act and Consumer Protection (Approved Standards for Restricted Electrical Products) Regulations 2016.[76] Products must meet the standards for minimum energy performance and energy testing as described in the regulations. Import permits are required for these products, which are administered by the Ministry of Mines and Energy and granted by Customs (Section 3.1.5.1.1). Customs checks conformity at the border.

- Food products. Governing legislation: Pure Food Act (1996) and Pure Food Fish and Fishery Regulations of 2005 and Pure Food Control Regulations of 2010.[77] The regulations set out microbiological and chemical standards. According to the authorities, a fully-fledged import control system is not yet in place.

3.3.2.3 Labelling and packaging requirements

3.74. According to the authorities, a product packaging and labelling policy is being drafted with outside assistance. Packing and labelling requirements currently being applied are:

- Cigarettes. Governing legislation: Customs and Excise Act, Schedule II.[78] Cigarettes imported in quantities of more than 200 must be contained in packages displaying a health warning.

- Imported medicines. Governing legislation: Pharmacy and Poisons Act, Article 50.[79] Labels must state the percentage of proof spirit of the medicine and the proportion of poison (if any) contained in the total contents.

- Food products. Governing legislation: Pure Food Act (Part III[80]), Pure Food (Fish and Fishery) Regulations of 2005 and Pure Food (Food Control) Regulations of 2010.[81] According to the authorities, labels must include name of products, nutritional data, batch number, use-by date, and address of producer. Food must be labelled in English.

- Electrical products. Governing legislation: Consumer Protection Act and Consumer Protection (Approved Standards for Restricted Electrical Products) Regulations 2016. Restricted electrical products must have an energy label affixed to them.

3.3.3 Sanitary and phytosanitary requirements

3.75. There have been no changes to the institutional and regulatory framework for the protection of human, animal, and plant life and health in Solomon Islands since its last Review. SPS-related laws and regulations are the Biosecurity Act 2013 and the 2015 Biosecurity Regulations, and the

[76] Consumer Protection (Approved Standards for Restricted Electrical Products) Regulations 2016. Viewed at: http://commerce.gov.sb/activities-updates/resources/142-consumer-protection-approved-standards-for-restricted-electrical-products-regulations-2016.html.

[77] Copies of these regulations were not available.

[78] Customs and Excise Act (Cap. 121). Viewed at: https://www.paclii.org/sb/legis/consol_act/caea199/.

[79] Pharmacy and Poisons Act (Cap. 105). Viewed at: https://www.paclii.org/sb/legis/consol_act/papa214.pdf.

[80] Pure Food Act (No. 4 of 1996). Viewed at: https://solomon-islands.tradeportal.org/media/Pure%20Food%20Act%201996.pdf.

[81] Copies of these regulations were not available online.

Pure Food Act of 1996[82] and its implementing regulations (Pure Food (Food Control) Regulations 2010).[83] The Pure Food (Food Control) Regulations have provisions on, *inter alia*, food additives and nutrition supplements; packaging and apparatus; labelling, advertising, and date marking; incidental constituents; good hygienic practices; and commodity standards.

3.76. Biosecurity Solomon Islands (BSI) has responsibility for managing the biosecurity risks related to the movement of goods and people in and out of the country.[84] The Ministry of Health and Medical Services continues to ensure that imported foods meet the requirements of the Pure Food Act and the Environmental Health Act.

3.77. As at the time of its previous Review, Solomon Islands is a member of the Codex Alimentarius Commission and is a signatory to the International Plant Protection Convention (IPPC). It is not a member of the World Organisation for Animal Health (WOAH, formerly OIE). The Pacific Community, of which Solomon Islands is a member, has a unit to support biosecurity around the region. The Unit has provided support in securing project funding at the national level and has assisted Solomon Islands in reviewing IPPC standards and in areas of emergency response. As indicated by the authorities, the Pacific Community Pacific Plant Protection Organization, which meets once per year, is working towards regional harmonization of standards.

3.78. As indicated by the authorities, SPS measures are set out in the Import Specification Manual and its schedules.[85] In the context of this Review, the authorities indicate that Solomon Islands uses international standards to the greatest possible extent. Where there are requests from importers to import low-risk products for which there are no measures contained in the manual, desk-top risk assessments are conducted by BSI, the costs of which are borne by the Government. Any supplementary costs relating to filling information gaps or visiting the facilities in the exporting country are paid by the importer. Apparently, there is demand for only one or two risk assessments per year. For imports that are not low-risk, Australian or New Zealand standards are used. Solomon Islands has made no SPS-related notifications to the WTO.

3.79. The importation of certain plants is prohibited for SPS reasons.[86] According to the authorities, there is also a prohibited list for animals and animal products, which relates to countries that have tested positive for certain animal diseases.[87] They indicated that prohibitions are based on information from the responsible international organizations.

3.80. Import permits are required for most animals and animal products and plants and plant products. Exceptions apply to certain commercially produced packets of processed food products with ingredients of animal origin, labelled as being produced in Australia and New Zealand[88], and dairy products from Australia and New Zealand.[89] Import permits for animals and animal products

[82] Biosecurity Act (No. 3 of 2013). Viewed at: https://www.biosecurity.gov.sb/Portals/93/Content/Documents/Resources/Biosecurity%20Act%202013.pdf; Biosecurity Regulations 2015. Viewed at: https://www.biosecurity.gov.sb/Portals/93/Content/Documents/Resources/Biosecurity%20Regulations%202015.pdf; and Pure Food Act (No. 4 of 1996). Viewed at: https://solomon-islands.tradeportal.org/media/Pure%20Food%20Act%201996.pdf.

[83] The Pure Food (Food Control) Regulations were not available online.

[84] Biosecurity Solomon Islands. Viewed at: https://www.biosecurity.gov.sb/.

[85] An online link to this manual was not available and a copy of the Import Specification Manal was not seen by the WTO Secretariat. Some specific requirements for commonly imported items may be viewed at: https://www.biosecurity.gov.sb/Importers.

[86] A list of these plants was viewed at: https://www.biosecurity.gov.sb/News-Resources/list-of-prohibited-plants.

[87] An online link to this prohibited list was not available.

[88] These products from Australia and New Zealand are tinned foods; seafood; pet food (canned meat or biscuits); biscuits, cakes, pastry, noodles (cooked, with egg or honey ingredients); processed dairy products (butter, cheese, cream, ice-cream, infant food, pasteurized/UHT milk); egg (cooked – non-fertile in hermetically sealed containers); health foods containing bee products, including bee venom, pollen, propolis, royal jelly (must be processed and prepared as encapsulated doses such as tables or capsules); processed beeswax (candles, cosmetics, foundation, ornaments, polishes); feathers (new dusters, hats, lures, bleached, curled or waved); furs (manufactured); leather (new and fully manufactured); saddles and saddle harnesses (new); and wool (processed). Biosecurity Solomon Islands, *Importing*. Viewed at: https://www.biosecurity.gov.sb/Importers#1048835-animals-and-animal-products.

[89] The regulatory basis for this exception and the list itself were not provided.

may either be single (valid for one month from the date of issue) or multiple entry (valid until 30 June each year).

3.81. Sanitary certificates must be provided for all animal and animal products, phytosanitary certificates for all plant and plant products, and processed food products must be accompanied by a health certificate. Solomon Islands is implementing the IPPC ePhyto (electronic phytosanitary) certificate solution and is now exchanging phytosanitary certificates with other countries that are implementing the system.

3.82. As set out in the Biosecurity Act, all imports of regulated goods are liable for biosecurity import clearance inspections by biosecurity officers and must enter the country through the Honiara Port. The authorities indicate that when a new product is imported, samples of the product are tested either in the country (Solomon Islands has facilities to test for water quality and some pests) or by sending samples abroad for testing (e.g. for testing of pesticide residues or bacterial contamination). The authorities indicate that all animal quarantine requirements are fulfilled in Australia, and release is immediate upon arrival. Exporters of plants and animals and their products must apply for a biosecurity export clearance prior to export.[90]

3.83. All fees levied by BSI for its services (including issuance of permits, inspections, assessments and audits, quarantine, etc.) are listed in Schedule 17 to the Biosecurity Regulations 2015 and are publicly available on BSI's website.[91]

3.84. According to the authorities, industry has been calling for greater import facilitation measures to be put in place. In this context, the authorities indicate that there are plans to give BSI access to the ASYCUDA system, which it does not presently have. This will enable BSI to check documentation in advance and speed up customs clearance at entry ports.

3.85. According to the authorities, measures to improve Solomon Islands' SPS capacity include the Biosecurity Development Program, supported by the Australian Government, which has provided support/funding for training and capacity-building, including on inspections and legislation as well as sending staff on attachment to Australia. Solomon Islands has also received support from the FAO on fall armyworm surveillance. In 2024, a post-entry quarantine facility at Solomon Islands National University of Fisheries Studies was inaugurated; this is part of an initiative to enable imports of tilapia from Malaysia and thereby develop the aquaculture sector. As indicated by the authorities, once the tilapias are certified as disease-free, they will be moved to a breeding facility, which is currently under construction.[92] A National Public Health laboratory has been built and is used for testing food and water. A vapour treatment facility is being built with support from Japan. Once completed, this should enable Solomon Islands to export fresh fruit and vegetables.

3.86. The main SPS-related challenges with respect to pest incursions over the review period included controlling the Coconut Rhinoceros Beetle and the Asian subterranean termite. The former was first detected in the country in 2015 and poses a threat to the country's coconut industry[93], while the termite affects buildings and live trees. Information was not available on the impact of these pest incursions on trade.

3.87. As indicated by the authorities, other SPS-related challenges concern capacity constraints, particularly on the animal side. For example, they noted that at mid-2024, there was only one qualified vet for the entire country. The authorities indicate that among the country's most important needs in the SPS area with respect to capacity to trade include support to do risk assessments; developing the laboratory and human capacity to support pest and disease identification; and technical assistance to ensure BSI is able to keep up to date with trading partners' new requirements.

[90] Biosecurity Act (No. 3 of 2013), Article 37. Viewed at: https://www.biosecurity.gov.sb/Portals/93/Content/Documents/Resources/Biosecurity%20Act%202013.pdf.

[91] Biosecurity Regulations 2015. Viewed at: https://www.biosecurity.gov.sb/Portals/93/Content/Documents/Resources/Biosecurity%20Regulations%202015.pdf.

[92] Solomon Islands Government (2024), "Post-Entry Quarantine Facility Elevates Aquaculture Advancement in Solomon Islands", 15 May. Viewed at: https://solomons.gov.sb/post-entry-quarantine-facility-elevates-aquaculture-advancement-in-solomon-islands/.

[93] BSI (2020), "Clean-up Campaign to Control CRB in Honiara Resumes", 16 July. Viewed at: https://www.biosecurity.gov.sb/News-Resources/clean-up-campaign-to-control-crb-in-honiara-resumes.

3.88. The authorities indicate that Solomon Islands does not allow the importation of GMO products given the absence of technical skills in this area and an inability to undertake monitoring; this prohibition is done through risk assessment. There is no legislation in this area.

3.3.4 Competition policy and price controls

3.3.4.1 Price controls

3.89. The Price Control Act continues to provide the legal framework for the imposition of price controls on goods (wholesale and retail) and services.[94] Price controls are set by ministerial order and may apply to specific place/area or in particular circumstances. Draft orders must be set to Parliament, which has the authority to annul them within 20 days of receipt. As before, maximum prices are based on a mark-up system, allowing traders to add a certain percentage on landed costs plus goods tax. The mark-up for wholesale is 10% and 13% for retail, except for rice (6% wholesale and 9% retail). The purpose of the price control system is to keep prices reasonable for products and services where competition is perceived as being too low. As of early June 2024, price controls were applied to foods, liquid petroleum gas, and petroleum products. According to the authorities, price controls are generally changed every six months, with changes relating to the good and geographical zone.

3.90. Electricity prices are also regulated under the Electricity Act (Cap. 128), Section 55(v) and implementing regulations. The latest regulations issued in this regard are the Electricity (Charges for Supply) (No. 3) Regulations 2024; they cover charges for prepaid, postpaid, and non-regular customers.[95]

3.91. Under Solomon Islands Water Authority Act (Cap. 130), Section 24(1), water tariffs are set by the Minister of Mines, Energy and Rural Electrification, and the Minister of Finance and Treasury upon the advice of the Solomon Islands Water Authority. Tariffs are divided into tariffs for domestic water and water waste, and commercial water and water waste.[96]

3.3.4.2 Competition policy

3.92. Solomon Islands does not have a dedicated Competition Law. As at the time of the previous Review, statutory provisions regulating competition are contained in the Consumer Protection Act (1990); the Price Control Act (1982); the Price Control Order (2011), and the Telecommunications Act (2009).[97] These provisions are described in detail in the Secretariat Report for the Review.[98]

3.93. Solomon Islands is developing a comprehensive competition framework to replace this *ad hoc* approach to domestic competition issues. A discussion paper was issued in 2016; this was followed by a draft competition policy that was completed with the assistance of the Asian Development Bank. A copy of this policy was not available.[99] According to the authorities, drafting of a Competition and Commerce Commission bill is foreseen for 2025.

3.94. In November 2023, Solomon Islands joined a new regional initiative, the Pacific Island Network of Competition, Consumer and Economic Regulators (PINCCER).[100] This network aims to help participants build their agencies' capacity and strengthen their collective voice on competition

[94] Price Control Act (Cap. 64). Viewed at: https://www.commerce.gov.sb/component/edocman/?task=document.viewdoc&id=145&Itemid=.

[95] Electricity (Charges for Supply) (No. 3) Regulations 2024. Viewed at: https://www.paclii.org/sb/other/SBGovGaz/2024/89.html.

[96] Tariffs being applied are set out in Legal Notice 55 contained in the Official Gazette of 8 September 2023. Viewed at: https://solomons.gov.sb/wp-content/uploads/2023/09/Gaz-No.-105-Sup-No.-43-Friday-8th-September-2023.pdf.

[97] Solomon Islands laws and regulations may be found on the Pacific Islands Legal Information Institute website. Viewed at: https://www.paclii.org/countries/sb.html.

[98] WTO document WT/TPR/S/349/Rev.1, Section 3.3.2.

[99] Pacific Private Sector Development Initiative (PSDI) (2020), *Country Overview: Solomon Islands*. Viewed at: https://www.pacificpsdi.org/assets/Uploads/PSDI-CountryFactSheet-April2020-SolomonIslands.pdf.

[100] Economies participating in this initiative are Australia, the Cook Islands, Fiji, French Polynesia, Kiribati, New Caledonia, New Zealand, Papua New Guinea, Samoa, Solomon Islands, Tonga, and Vanuatu.

and consumer protection issues, as well as providing a forum to "promote well-functioning markets".[101]

3.95. As indicated by the authorities at the time of the previous Review, many economic activities are dominated by state-owned enterprises (Section 3.3.5) because of the need to provide low-cost services to a sparse and geographically dispersed population. Nevertheless, it was pointed out that introducing competition in these sectors, under an appropriate regulatory framework could lead to better services at lower cost.[102]

3.3.5 State trading and state-owned enterprises

3.96. At the time of Solomon Islands' previous Review, the Government Pharmacy had the exclusive right to import methylated spirits and ethyl alcohol; information was not available as to whether this remains the case and if the Government Pharmacy has exclusive rights to import or export any other products. As indicated by the authorities at the time of the previous Review, the CEMA used to have the exclusive right to export commodities, but this was replaced by a largely regulatory role.[103] It is foreseen that it will restart commercial operations but without a monopoly and coexisting with private sector companies (Section 4.1.2). Solomon Islands has not made any notifications to the WTO under Article XVII of the GATT 1994, and information was not available as to whether Solomon Islands has any other state trading enterprises within the meaning of Article XVII of the GATT 1994.

3.97. There are now nine SOEs operating in Solomon Islands compared to eight at the time of the previous Review. These entities are considered to provide public services that are essential to society. They are (i) Solomon Islands Airport Corporation Ltd; (ii) the CEMA; (iii) the Investment Corporation of Solomon Islands; (iv) Solomon Airlines Ltd; (v) Solomon Islands Electricity Authority; (vi) Solomon Islands Port Authority; (vii) Solomon Islands Postal Corporation; (viii) Solomon Islands Water Authority; and (ix) the DBSI. The authorities indicate that these SOEs do not have subsidiaries. The port and electricity authorities are by far the most significant SOEs in terms of their share in total SOE assets and net profits.[104]

3.98. With respect to developments over the review period, the Solomon Islands Airport Corporation Ltd started operations in 2021; it owns, operates, and manages all of the country's international and domestic airports (Section 4.4.3.2).[105] The DBSI was created in 2018 and provides development finance services (Section 3.3.1.2 , Section 4.4.1). There were no privatizations over the review period. In 2023, Solomon Islands Broadcasting Corporation was removed from falling under the auspices of the SOE Act; it now falls under the Broadcasting Act and under the responsibility of the Prime Minster's Office.

3.99. The Investment Corporation of Solomon Islands (ICSI) is a holding company for the Government's business investments. While full information was not provided on the ICSI's portfolio, its investments apparently include a 51% share capital of Solomon Islands Submarine Cable Company Limited, which was incorporated in the country in August 2016, a 3% share in Solomon Telekom Company Limited (Section 4.4.2.1) and an unspecified share in Kolombangara Forest Plantation Ltd. The authorities indicate that the businesses falling under the ICSI are subject to the reporting requirements contained in Articles 14 and 15 of the State-Owned Enterprises Act of 2007.

[101] MCILI (2020), "New Regional Network Formed to Promote and Address Competition, Consumer Protection and Economic Regulations Matters among Members", 11 November. Viewed at: https://solomons.gov.sb/new-regional-network-formed-to-promote-and-address-competition-consumer-protection-and-economic-regulations-matters-among-members/.

[102] WTO document WT/TPR/G/349, 8 November 2016.

[103] WTO document WT/TPR/M/349/Add.1, 6 February 2017.

[104] ADB, New Zealand Foreign Affairs and Trade Aid Programme, and Australian Aid (2023), *Finding Balance 2023: Benchmarking Performance and Building Climate Resilience in Pacific State-Owned Enterprises,* p. 56. Viewed at: http://www.pacificsoe.org/solomon-islands/wp-content/uploads/2017/07/finding-balance-2023.pdf.

[105] Ministry of Communication and Aviation, *Solomon Islands Airport Corporation Limited (SIACL)*. Viewed at: https://www.mca.gov.sb/about-us/statutory-bodies/state-owned-enterprises/solomon-islands-airport-corporation-limited-siacl.html.

3.100. All the above-mentioned SOEs are regulated by the State-Owned Enterprises Act and its 2010 implementing regulations.[106] An amendment to the Act was endorsed by the Cabinet in October 2022 to improve the process for selecting directors as well as to support the participation of women on SOE boards.[107] As indicated in the previous Review, SOEs should run as profitable and efficient businesses and they are required to, *inter alia*, submit annual reports on themselves and their subsidiaries as well as audited financial statements and the auditor's report on those statements. The annual reports and financial statements must disclose government assistance provided.

3.101. As indicated in the 2013 Borrowing Policy for SOEs, while SOEs should operate as successful commercial businesses, nevertheless the Government is ultimately liable for their debts and for paying out when SOEs default on debt payments.[108] The Borrowing Policy clarifies how the country's Debt Management Strategy should apply to SOEs.

3.102. According to an external source, over the period 2015-20, Solomon Islands' SOEs maintained an average nominal return on assets of 7.1%, which was partly due to implementation of cost-based tariffs by the Solomon Islands Electricity Authority, a doubling of port tariffs in 2016, and annual CSO payments that offset a chunk of CSO costs.[109] Data on the balance sheets SOE over the review period are set out in Table 3.9. Where data are available, it shows that most SOEs have operated at a profit for a large part of the review period, with the exception of Solomon Airlines and the CEMA.

Table 3.9 SOE balance sheet, 2016-23

(SBD)

	2016	2017	2018	2019	2020	2021	2022	2023
SI Airport Corporation Ltd	..	..	..	..	..	..	NL (144,094)[a]	NP 12,090,810[a]
Solomon Airlines	NL (17,306,606)	NP 9,139,074	NP 31,353,665	NL (41,382,184)	NL (30,854,889)	n.a.	n.a.	n.a.
Commodity Export and Marketing Authority	NL (159,360)	NP 320,117	NL (331,036)	NL (2,694,800)	NL (226,949)[a]	NP 12,998,363[a]	n.a.	n.a.
Investment Corporation of Solomon Islands	NP 1,113,700	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solomon Islands Broadcasting Authority	NP 2,004,202	NL (346,716)	NP 1,191,639	NP 567,564[a]	NP 855,451[a]	NP 470,625[a]	n.a.	n.a.
Solomon Islands Electricity Authority	NP 120,048,870	NP 79,880,085	NP 80,080,065	NP 91,097,546	NP 75,164,011	NP 74,321,827	NP 75,699,634	NP 50,368,264
Solomon Islands Port Authority	NP 122,653,000	NP 77,304,529	NP 88,092,780	NP 69,268,814	NP 72,572,801	n.a.	n.a.	n.a.
Solomon Islands Postal Corporation	NP 962,190	NP 3,668,554	NP 20,155,403	NP 4,335,453[a]	NP 2,734,943	NL (2,584,391)	n.a.	n.a.
Solomon Islands Water Authority	NP 25,271,515	NP 7,336,197	NP 5,403,263	NP 2,343,181	NP 17,100,310	NP 7,164,777	NP 9,939,042	n.a.
Development Bank of Solomon Islands	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

a Not audited.

.. Not available.

n.a. Not applicable.

Source: Information provided by the authorities.

3.103. An SOE Ownership Policy was released in 2017, which sets out the framework for the Government's investment in the economy.[110] It draws attention to the Government's large investment in SOEs but their relatively small contribution to GDP. The policy emphasizes efficiency

[106] State Owned Enterprises Act (No. 7 of 2007). Viewed at: https://www.parliament.gov.sb/sites/default/files/legislation/StateOwnedEnterprisesAct2007.pdf; and State Owned Enterprises Regulations 2010. Viewed at: https://faolex.fao.org/docs/pdf/sol136441.pdf.

[107] ADB, New Zealand Foreign Affairs and Trade Aid Programme, and Australian Aid (2023), *Finding Balance 2023: Benchmarking Performance and Building Climate Resilience in Pacific State-Owned Enterprises*.

[108] The weblink to the 2013 Borrowing Policy for SOEs on the Ministry of Finance website is no longer operational.

[109] ADB, New Zealand Foreign Affairs and Trade Aid Programme, and Australian Aid (2023), *Finding Balance 2023: Benchmarking Performance and Building Climate Resilience in Pacific State-Owned Enterprises*.

[110] Solomon Islands SOE Ownership Policy. Viewed at: http://www.pacificsoe.org/solomon-islands/wp-content/uploads/2017/07/Solomon-Island-SOE-Ownership-Policy.pdf.

in SOE service delivery and competitive neutrality with private enterprises. It, *inter alia*, states that (i) the Government must review on an ongoing basis the rationale and value for money of its investments in SOEs; (ii) new SOEs will only be created where the service cannot be provided through other means (existing public body, public private partnership (PPP), direct contract to the private sector); (iii) PPPs are to be considered for all new SOE investments of SBD 80 million and above; (iv) SOE privatization (complete or partial) should be considered where services provided are no longer required or where the private sector can provide them efficiently and at an affordable cost; (v) SOEs must pay a dividend of 100% of net profits after tax unless the accountable Minister allows a portion of earnings to be retained to achieve targets set out in each SOE business plan; (vi) SOEs must keep to the Government's Debt Management Framework and SOE Borrowing Policy; (vii) SOEs may not provide funding or services to another SOE on less than commercial terms and all such transactions must be disclosed; and (viii) SOEs must pay taxes on profits. In addition, the Minister of Finance has been appointed as responsible for all SOEs, unless the respective governing laws stipulate otherwise.

3.3.6 Government procurement

3.104. Solomon Islands is neither a party nor an observer to the WTO Government Procurement Agreement. In the context of this Review, the authorities indicate that it is not considering becoming a member/observer at this time. No data on the value of government procurement were available.

3.105. The main law governing public procurement remains the Public Financial Management Act 2013.[111] New procurement regulations were issued under the Act in 2021, which set out procurement procedures, aim is to provide for fairness and transparency in procurement, and establish a framework for monitoring compliance.[112] The regulation covers the following procurements: supply of goods, provision of services, and construction of works. As indicated by the authorities, procurement regulations do not apply to purchases by SOEs.

3.106. Procurement principles are set out in Part 3 of the regulations. These include value for money; competitive purchasing; efficient, effective, and ethical use of resources; accountability and transparency; financial sustainability; and equity. The authorities indicate that usually the lowest bids are selected. Information was not available regarding whether there are any procurement set-asides for certain groups.

3.107. The procurement regulations set out the institutional framework for procurement, which largely follow previous practice. These institutions include:

- The Central Tender Board, which is, *inter alia*, responsible for all procurements above SBD 500,000 and bid waivers of SBD 100,000. It also has a role in resolving complaints by tenderers that are referred to it for procurements over these values. A Vendor Assessment Panel oversees the evaluation of suppliers' performance and makes recommendations to the Central Tender Board, which is also responsible for awarding period contracts.

- Ministerial Tender Boards which are required to be established within each procuring entity. Among their responsibilities are to award tenders with values of more than SBD 100,000 but less than SBD 500,000. Tender Evaluation Committees must be established for each tender submitted to the Ministerial Tender Board. Accountable officers must be appointed within each procuring entity; they are responsible for its procurement activities and decisions.

- A Treasury Procurement Unit, established within the MOFT, which is responsible for, *inter alia*, developing government procurement policies, laws, and regulations as well as providing training services and auditing activities. It is also responsible for compliance review of all submissions to the Central and Ministerial Tender Boards.

[111] Public Financial Management Act (No. 9 of 2013). Viewed at: https://www.paclii.org/sb/legis/num_act/pfma2013221.pdf.

[112] Public Financial Management (Procurement) Regulations 2021, LN 273. Viewed at: https://www.paclii.org/cgi-bin/sinodisp/sb/legis/sub_leg/pfma2013pfmr2021l2732021712/index.html?stem=&synonyms=&query=public%20financial%20management%20act.

3.108. The regulations provide for three methods of procurement: competitive tendering; simple procurement; and bid waivers (Table 3.10).

Table 3.10 Procurement methods, 2024

Method	Use
Competitive tendering	Open tendering. To be used for tenders valued at more than SBD 100,000, and other procurement for which there is no other method under the regulation. National competitive tendering is for tenders valued at over SBD 100,000 and under SBD 5,000,000. International competitive tendering is for procurements valued at over SBD 5,000,000. Period contracts (i.e. for goods and services required regularly) must be awarded using the competitive tendering method.
Simple procurement	To be used for procurements valued from SBD 10,000 to SBD 100,000. A procurement officer must obtain at least three written quotations.
Bid waiver	To be used in situations of public emergency.

Source: Public Financial Management (Procurement) Regulations, 2021.

3.109. The regulations set out standards to be followed for the various classes of procurement, as well as details on where tenders should be advertised. They also contain provisions requiring ministries to produce procurement plans each year; these are reviewed by the MOFT.

3.110. All competitive tenders should be put on Solomon Islands Government Tender Portal (https://solomons.gov.sb/portal_tender/). The authorities indicate that no e-procurement systems have been developed.

3.3.7 Intellectual property rights

3.111. There have been no changes to Solomon Islands' legislation on intellectual property (IP) since 2016 despite an indication at the time of its last Review that all IP legislation was under review. As such, Solomon Islands continues to not implement the TRIPS Agreement. The authorities indicate that an IP Office has been established under the Justice Department of the Ministry of Justice and Legal Affairs.

3.112. The IP laws in place remain: (i) the Copyright Act (Cap. 138), which entered into force in June 1988; (ii) the Registration of United Kingdom Patents Act (Cap. 197), which entered into force in July 1924; (iii) the Registration of United Kingdom Trade Marks Act (Cap. 180), which entered into force in June 1939; and (iv) the United Kingdom Designs (Protection) Act (Cap. 181), which entered into force in 1934. The main provisions of these acts, including with respect to enforcement provisions, are described in previous Reviews.[113] Solomon Islands does not extend IP protection to utility models, geographic indications, new plant varieties, layout designs of integrated circuits, and undisclosed information.

3.113. In 2019, Solomon Islands joined the World Intellectual Property Organization (WIPO). It acceded to the Berne Convention for the Protection of Literary and Artistic Works in the same year. Solomon Islands has not made any IP-related notifications to the WTO.

3.114. Solomon Islands is a signatory to the Melanesian Spearhead Group (MSG) Framework Treaty on the Protection of Traditional Knowledge and Expressions of Culture, signed in 2011. This Treaty will enter into force three months after two States have deposited their instruments of ratification. It provides for protection (including regional protection) for (i) holders or owners of traditional knowledge against infringements of their rights under the Treaty and (ii) expressions of culture from misappropriation, misuse, and unlawful exploitation. It, *inter alia*, provides for the uniform laws, national competent authorities, and intra-MSG cooperation arrangements.[114]

3.115. A National Intellectual Property (IP) Strategy for Solomon Islands was released in May 2015.[115] This provides the strategic framework for modernizing Solomon Islands' legal IP framework. The overall objectives of the strategy relate to: (i) undertaking legislative reform so Solomon Islands can meet its development objectives and international obligations; (ii) developing

[113] WTO documents WT/TPR/S/349/Rev.1, 6 March 2017; and WT/TPR/S/215/Rev.1, 24 June 2009. These laws may be viewed at: https://www.wipo.int/wipolex/en/members/profile/SB.

[114] A copy of this Treaty was not available online.

[115] A copy of this report was not available online.

the country's ability to manage and administer IP rights; (iii) improving the capacity, *inter alia*, of Solomon Islands' businesses, farmers, and creative industries to protect their interests; and (iv) enhancing IP awareness in the community.

3.116. Specific strategic outcomes proposed in the National IP Strategy are to: (i) join the WIPO Convention (which was done in 2019); (ii) accede to the Berne Convention (also achieved); (iii) consider joining the WIPO Performance and Phonograms Treaty, the WIPO Copyright Treaty, the Paris Convention for the Protection of Industrial Property and, once a functioning IP Office has been established, other international treaties; (iv) review and amend existing IP Laws (specific recommendations are listed); (v) develop legislation to protect industrial designs, traditional knowledge and traditional cultural expressions, plant varieties, layout designs of integrated circuits, and the protection of undisclosed information; (vi) consider developing a *sui generis* system of geographical protection for "agricultural products having the essential characteristics of geographic indications"; (vii) develop a law and permit system to protect genetic resources and consider signing the Nagoya Protocol; (viii) establish a functioning intellectual property office, supported by significant recruitment and training as well as appropriate office space; (ix) provide resources for the development of a collective management organization; (x) put in place programmes to help small businesses, the artistic and music communities, rural communities and farmers understand how they can benefit from the IP protection; (xi) consultations and capacity building to local governments; and (xii) help educational institutions integrate IP in curricula and develop awareness programmes for the general community.

3.117. The Solomon Islands' "Nasional Policy Framework blong Kalsa", developed by the Ministry of Culture and Tourism in 2012, sets out policy directions to preserve and develop the country's assets in the areas of traditional knowledge, cultural expressions and indigenous arts.[116]

3.118. At the time of the previous Review, the Government indicated that given the country's "minimal capacity to conduct original research and innovate", the thrust of IP protection should predominantly assist in poverty alleviation and rural development. In this context, they indicate that Solomon Islands was engaging at the regional level to "protect traditional biological resources and traditional knowledge, promote the implementation of the Model Law on Traditional Knowledge and Expressions of Culture and the finalization of the draft framework on Traditional Biological Resources, Innovations and Practices".[117] Information was not available on enforcement actions.

[116] A copy of this framework document was not available online.
[117] WTO document WT/TPR/G/349, 8 November 2016.

4 TRADE POLICIES BY SECTOR

4.1 Agriculture, forestry, and fisheries

4.1.1 Overview

4.1. From both food security and economic livelihood viewpoints, the broad agricultural sector (including crops, livestock, forestry, and fisheries) continued to be pivotal for Solomon Islands, with an estimated 84% of the population being rural and depending directly on the sector.

4.2. Agricultural exports (including animal, forestry and fishery products) predominantly consist of a limited range of products. Collectively, they accounted for some 89% of Solomon Islands' total exports in 2022 (down from 97% in 2016) (Table A1. 3).[1] The country is a net food importer, with a significant and increasing import demand for, *inter alia*, cereals, beef and poultry meat, coffee, tea, and milk and egg products.[2]

4.3. The livestock subsector consists of pigs, chickens, and cattle. Due to weak domestic supply, meat is imported largely from Australia, Fiji, New Zealand, Papua New Guinea, and Vanuatu. There is considerable potential to increase productivity through the modernization of husbandry and feeding practices.

4.4. The predominance of small farms (less than one hectare) tends to hinder the realization of economies of scale in farming activities. Additionally, low levels of mechanization, high input costs, poor farming and husbandry practices, inadequate infrastructure, marketing inefficiencies, and limited access to credit are significant impediments to the sector's performance. Weak land ownership regulations (Section 2) also tend to limit private investment in farming and livestock activities, including in the adoption of adequate technologies. As a result, factor productivity in the agriculture sector of the Solomon Islands is low. Indeed, while the sector accounts for approximately one third of GDP (Table 1.1), it is a source of employment for 70% of the population.[3]

4.5. The authorities consider that low productivity in the country's crops and livestock production is also explained by continued public underfunding (only 1.5% of the national budget was earmarked for agriculture in the period 2015-20); expensive and unreliable access to markets[4]; lack of reliable advisory services; and inadequate coordination between public and private sector agencies.[5]

4.6. Climate change is another challenge for agriculture. In Solomon Islands, the primary concern revolves around the anticipated sea-level rise, which is particularly threatening to farming activities on the low-lying islands. Additionally, the region is vulnerable to severe weather conditions such as cyclones and intense rainfall, which can lead to floods and soil erosion, thereby hampering crop yields and damaging infrastructure. These challenges are, in fact, poised to adversely affect the nation's food security.[6]

4.7. Most of these vulnerabilities seem to also apply to fisheries and forestry activities. For example, unsustainable logging practices threaten the long-term sustainability of the forestry industry and damage the limited terrestrial area of the country.

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[1] HS sections 01, 02, 03, 04 and 09.

[2] Ministry of Agriculture and Livestock (MAL) (n.d.), *Solomon Islands Agriculture Sector Growth Strategy and Investment Plan 2021-2030*. Viewed at: https://solomons.gov.sb/wp-content/uploads/2021/10/Solomon-Islands-Agriculture-Sector-Growth-Strategy-and-Investment-Plan-ASGSIP-2021-2030_Final.pdf.

[3] International Fund for Agricultural Development, *Solomon Islands*. Viewed at: https://www.ifad.org/en/web/operations/w/country/solomon-islands.

[4] The main impediments faced by Solomon Islands with respect to market access include the lack of domestic infrastructure; meeting TBT and SPS requirements of trading partners, such as assuring biosecurity and quality of exports (e.g. cocoa, coconuts, sawn timber, and cava); and certification. The authorities consider that technical assistance may be needed to establish laboratories and certification bodies, and one-stop services to meet document requirements for exports.

[5] MAL (n.d.), *Solomon Islands Agriculture Sector Growth Strategy and Investment Plan 2021-2030*.

[6] Ministry of Forestry and Research (2018), *Solomon Islands National Forest Reference Level: Submission for the UNFCCC Technical Assessment 2019*. Viewed at: https://redd.unfccc.int/media/2019_submission_frel_solomon_islands.pdf.

4.8. Solomon Islands participates in agricultural global value chains (GVCs), primarily through palm oil, coconut, cocoa, tuna, and forestry activities. However, considering the above-mentioned challenges and due to factors, such as high costs of doing business, infrastructure gaps, and technological limitations, its GVC involvement tends to be more focused on basic and less value-added activities.

4.1.2 Agriculture

4.9. Following a decrease in 2019, agriculture exports grew between 2020 and 2022 (Table 4.1), driven by the good performance of palm oil and coconut products. Over the same period, copra production and exportation considerably decreased on the back of weak international prices. The main import items include rice, meat, and sugar.

Table 4.1 Trade in agriculture by main products, 2018-22

HS code	Description	2018	2019	2020	2021	2022
Total agriculture exports[a]		502,524.3	327,215.2	438,077.1	577,280.5	527,305.6
1511	Palm oil and its fractions	181,921.6	169,225.7	231,004.1	289,381.2	294,808.3
1513	Coconut, palm kernel or babassu oil and its fractions	76,769.2	62,277.2	90,960.2	92,425.3	119,428.5
1801	Cocoa beans, whole or broken, raw or roasted	68,810.6	62,919.0	57,263.2	63,139.0	28,854.6
2309	Preparations of a kind used in animal feeding (mainly for swine)	105,319.3	7,574.5	10,384.4	19,814.1	17,053.1
0801	Coconuts, brazil and cashew nuts, fresh or dried, whether or not shelled or peeled	178.5	4.9	6,655.7	18,349.8	16,567.5
1203	Copra	52,531.3	8,543.0	15,402.0	42,854.0	16,234.7
Total agriculture imports		1,029,863.1	1,011,410.4	1,023,415.3	861,862.2	906,640.2
1006	Rice	336,589.8	376,410.8	392,042.9	140,951.2	194,882.7
0207	Meat and edible offal of poultry	101,069.2	73,504.9	72,709.5	84,954.2	73,872.6
1902	Pasta, whether or not cooked or stuffed	56,492.4	56,642.4	60,569.1	66,075.1	61,986.1
1701	Cane or beet sugar and chemically pure sucrose, in solid form	50,016.4	36,250.4	41,660.8	46,565.9	50,855.9
1001	Wheat and meslin	47,052.3	55,215.0	47,175.6	43,251.9	49,058.6
1905	Bread, pastry, cakes	56,682.6	48,025.2	58,214.7	48,826.6	47,382.7

a WTO definition.

Note: Main agricultural exports and imports by HS 4-digit are sorted by the year 2022.

Source: WTO Secretariat calculations, based on data received by the authorities.

4.10. The Ministry of Agriculture and Livestock (MAL) is responsible for developing, executing, overseeing, and coordinating governmental policies related to crop and livestock production. The authorities note that MAL works continuously with other governmental agencies and the private sector, with a view to facilitating the development of commercial agriculture and livestock in Solomon Islands, particularly concerning coconut, cocoa, and kava.[7]

4.11. The legal framework remained broadly unchanged during the review period. Key pieces of legislation for the agricultural sector include the Livestock Development Authority Act, the Agriculture and Livestock Act, the Bee Industry Act, the Diseases of Animals Act, the Agricultural Quarantine Act, the Pure Food Act and Pure Food (Food Control) Regulation, the Wildlife Protection and Management Act, the Biosecurity Act, and the Biosecurity Regulations. The current agricultural development strategies call for amending these pieces of legislation to provide a legal and policy framework to bolster livestock productivity. The focus is expected to be on enhancing breed quality, improving veterinary and technical advisory services, and advocating for environmentally sustainable and commercially viable practices.

4.12. Agricultural development is important to Solomon Islands; this is highlighted in the country's main economic and social development vision, the National Development Strategy (NDS)

[7] MAL, *About the Ministry of Agriculture & Livestock (MAL)*. Viewed at: https://solomons.gov.sb/ministry-of-agriculture-and-livestock/.

2016-2035. The country's current goal in agriculture is reflected in the Agriculture Sector Growth and Investment Plan (ASGIP), the main sectoral policy document. It aims to ensure "a sustainable, competitive and profitable agricultural sector enhancing economic growth, food sovereignty and prosperity for all Solomon Islanders".[8]

4.13. According to the authorities, ASGIP constitutes a road map that will guide public and private actions, including investments in agriculture. The document underscores the need to achieve food sovereignty (e.g. self-sufficiency). It also calls for enhanced governance, by creating an enabling environment for the growth and sustainability of agriculture. Furthermore, ASGIP highlights the role of trade, in particular efforts to boost agricultural exports through, *inter alia*, enhanced biosecurity services. It also aims to implement an import-substitution approach for livestock production. This involves reducing the country's reliance on imported beef, pork, and poultry.

4.14. Clarifying agricultural land ownership remains at the core of the authorities' efforts to develop the agricultural sector. Along this line, national priorities include the adoption of a National Rural Land Use Policy. The authorities are also aiming to adopt a national agriculture research policy, as well as related laws and regulations.

4.15. The Solomon Islands National Agriculture and Livestock Sector Policy 2015-2019 (SINALSP), which preceded the ASGIP, similarly prioritized objectives such as enhancing food sovereignty and safety, uplifting livelihoods, planning for strategic land use, promoting import substitution, boosting exports, fostering robust farmer associations, and ensuring sustainable management of resources. Key objectives under SINALSP entailed achieving a 40,000 ha expansion in oil palm cultivation within the coming decade, initiating a 400 ha commercial rice farming venture, revitalizing the cattle sector, and enhancing the cultivation and processing methods for staple food crops and spices. The authorities highlight in the ASGIP document that the assessment of results attained in recent years was still ongoing. Nevertheless, they note that there is a persistent downturn in the economic performance of the agriculture sector, with research and extension services functioning only to a limited extent. Land-use planning has yet to be initiated, and there is a notable surge in food imports, contrasted by stagnation or decline in agricultural exports, primarily copra, cocoa, and palm oil.

4.16. In the specific context of livestock development, the authorities are aiming, within the framework of ASGIP, to extend the existing SINALSP until 2025; SINALSP is currently being reviewed. They intend to align this strategy with other climate change-related documents such as the National Climate Change Policy, the National Adaptation Programmes of Action, and the Solomon Islands Intended Nationally Determined Contribution.

4.17. According to the authorities, there are some domestic initiatives, supported by the Enhanced Integrated Framework (EIF), to foster taro and cassava production, which are alternative food crops and export products. These initiatives include the construction in 2021 of a taro processing plant, and the acquisition of quality infrastructure for taro and cassava products.[9] Under the Enhancing Capacity on Agriculture Trade project, which was signed in 2018, capacity development activities have also taken place for the National Public Health Laboratory and other relevant authorities in food safety and quality assurance.

4.18. In the regional context, Australia and New Zealand have also provided funding to assist Pacific Island Countries in implementing the PACER Plus Free Trade Agreement (Section 2.3.2). This funding has enabled MAL to increase its capacity in managing the country's biosecurity system, notably through the acquisition of IT equipment for ePhytosanitary certification (Section 3.3.3)

4.19. The State intervenes in crops exports through the Commodities Export Marketing Authority (CEMA), a state-owned enterprise (Section 3.3.5). CEMA's core duties include granting export licences, ensuring quality standards, facilitating market insights, gathering and distributing commodity data, providing training to farmers on quality standards, and advising the Government on commodity policy formulation and execution. Commodities regulated by CEMA include coconut, cocoa, coffee, palm oil, spices (e.g. chili, turmeric, vanilla, ginger, cardamon), ngali, cava, and noni. CEMA's revenue primarily comes from fees levied for the issuance of export licences. These licences,

[8] MAL (n.d.), *Solomon Islands Agriculture Sector Growth Strategy and Investment Plan 2021-2030*.

[9] EIF (2023), "Expanded Production and Value Addition Powering Solomon Islands' Food Exports", 9 May. Viewed at: https://trade4devnews.enhancedif.org/en/impact-story/expanded-production-and-value-addition-powering-solomon-islands-food-exports.

valid for 12 months, require an application (or renewal) fee of SBD 150 for cocoa and SBD 300 for coconut, in addition to a licence fee of SBD 5,000 each. Furthermore, there are management levies for specific commodities: dried copra has a levy set at SBD 50/MT, while coconut oil and virgin coconut oil have levies of SBD 30/MT and SBD 20/MT, respectively, for any coconut products. Regulations for inspection and grading are stipulated in the Copra Inspection and Grading Regulations of 1985 and the Cocoa (Amendment) Regulations of 2013 for cocoa exports.

4.20. In 2022, the Government enacted a policy aimed at reinstating CEMA's commercial function to engage in the purchase, storage, and export of designated commodities, primarily focusing on coconut and cocoa. The authorities indicate that subsidies to support prices and freight cost are provided by CEMA on copra and cocoa. Over the past two years, the subsidies amounted to around SBD 2 million.

4.21. During the review period, Solomon Islands did not submit any notification regarding agricultural domestic support and export subsidies. The authorities indicated that Solomon Islands intends to submit such notifications in the future. Cocoa, copra, and livestock farmers are being subsidized. The Agriculture Grant Support Facility is in place for registered farmers, processors, and exporters of agricultural products who have plans, *inter alia*, to expand their business (Section 3.3.1.2).

4.22. Agricultural products attract higher average MFN tariff rates (36.8%) than the total average (13.5%). The highest applied MFN rates apply to tobacco and alcoholic beverages (Section 3.1). Price controls apply to a list of basic food items (Section 3.3.4.1).

4.1.3 Fisheries

4.23. Fishery activities in the country are marked by the significance of subsistence fishing (mainly freshwater fishery), crucial for food security in rural communities, alongside commercial fishing (offshore and inshore), particularly focused on tuna, which provides formal employment and generates public revenue through licence fees paid by foreign vessels. The country's current National Fishery Policy states that in 2017, the Government received more than SBD 300 million in fisheries access and administrative fees.

4.24. Fisheries activities face sustainability challenges in Solomon Islands. The increasing population, combined with climate change impacts, and overfishing are set to worsen the country's food security situation. As per official projections, coastal fisheries are unlikely to meet the demand for fish needed to ensure future food security. The ensuing deficit in supply is set to reach over 4,000 tonnes per year.[10] Although aquaculture remains somewhat underdeveloped, the authorities consider it not only vital for long-term food security but also for ensuring income generation and spurring economic growth.

4.25. Aquaculture activities encompass the cultivation of various species such as tilapia, pearl oyster, giant clam, and seaweed. In 2017, these activities contributed to exports valued at SBD 2.4 million (largely seaweed).[11]

4.26. The National Fisheries Policy (2019-2029) outlines the Government's strategic vision for advancing fishery activities, with a focus on nurturing a sustainable fisheries sector that supports the socio-economic needs of the nation.[12] It identifies inshore and inland fisheries, offshore fisheries, and aquaculture as focus areas for the country's fisheries development. The Government's current objective for fisheries activities is to increase onshore fishing and encourage processing to add more value.

4.27. The legal framework of the fishery industry remained unchanged during the review period. The Fisheries Management Act (FMA) 2015 continues to serve as the primary legal instrument governing the fisheries sector. It establishes guidelines for the preservation, administration, growth, and responsible utilization of fisheries and marine assets within Solomon Islands. It governs the supervision and regulation of fishing vessels operating in the national waters. The Environmental Act

[10] Ministry of Fisheries and Marine Resources (MFMR) (2019), *Solomon Islands National Fisheries Policy 2019-2029*. Viewed at: https://faolex.fao.org/docs/pdf/sol188935.pdf.
[11] MFMR, *Solomon Islands National Fisheries Policy 2019-2029.*
[12] MFMR, *Solomon Islands National Fisheries Policy 2019-2029*.

constitutes another relevant legal document that provides for environmental considerations for granting approval of fishing activities.

4.28. The Ministry of Fisheries and Marine Resources (MFMR) is the main government authority in charge of regulating the country's fisheries and marine resources. It is responsible for coordinating research on fishery resources and fisheries extension services and administers the FMA. The MFMR is also responsible for the management and development of aquaculture in Solomon Islands.

4.29. The authorities indicate that offshore tuna fishing involves both foreign and domestic vessels, each requiring a licence. The process starts with an agreement specifying the vessels. Applications are submitted online. The licensing process is the same for all vessels, but fees are lower for domestic vessels (USD 6,000 per day) than for foreign vessels (USD 10,000 per day). A fishing agreement with the country of origin is a prerequisite for foreign vessels to be licensed. Licences for coastal fishing are reserved for registered domestic companies.

4.30. Various trade policy measures apply to fishery products. Exports and imports of certain marine products are subject to licensing requirements (Sections 3.1.5.1.1 and 3.2.3). A health certificate issued by the Ministry of Health is required for all export shipments of fisheries products for quality control purposes. Applied MFN tariffs on fish imports averaged 10% in 2024, lower than the overall average applied MFN tariff of 13.5% (Table 3.3).

4.31. The sustainable fish stock management system remained broadly unchanged. At the national level, regulations governing offshore fisheries are outlined in the Solomon Islands Tuna Management and Development Plan 2015. Solomon Islands also collaborates with fellow members of the Parties to the Nauru Agreement (PNA)[13], through its instituted Vessel Day Scheme (VDS) to manage tuna stocks.[14] The VDS sets a finite number of fishing days each year based on the condition of tuna stocks. These days are allocated to member countries, which then auction them to interested buyers. Within the PNA framework, measures are implemented to protect marine ecosystems and combat illegal, unreported, and unregulated fishing. As noted in the previous TPR of Solomon Islands, these measures include closing high seas areas, imposing temporary bans on fish aggregating devices during specific seasons, satellite monitoring of vessels, and requiring observers on all purse seiners. Additionally, Solomon Islands is an active participant in the Western and Central Pacific Fisheries Commission (WCPFC), where annual tuna management measures are established. Solomon Islands follows the PNA and the WCPFC.

4.1.4 Forestry

4.32. The total forest cover is estimated at around 89.9% of the total gross land area, with only some 22% suitable for commercial forest exploitation. The country's relatively large forestry subsector accounted for 52.4% of the country's export earnings in 2022, steadily down from 79% in 2018 (Table A1. 3) and provided jobs to some 10,000 people. The authorities indicate that in 2017, log exports reached an all-time high of more than 3.4 million cubic metres, and they consider that at the then harvesting rate, timber resources were expected to last only 1 or 2 more decades before exhaustion.[15] However, log exports were halved to 1.58 million cubic metres in 2022. The authorities state that COVID-19 resulted in a reduction of logging activities; the reduction could also involve impacts of reduced global market prices of round logs, natural timber source depletion of high-quality logs, reduced log sizes, and increased perishability of exported logs due to long sea time during shipment to destination, as well as the implementation of the Sustainable Logging Policy 2018 to gradually reduce round log exports to 700,000 m^3 over five years. China is the export market for over 80% of commercial logs, with New Zealand and Australia being the remainder of the market share.[16]

[13] Kiribati, Marshall Islands, the Federated States of Micronesia, Nauru, Palau, Papua New Guinea, Solomon Islands, and Tuvalu.

[14] FAO, *Fishery and Aquaculture Country Profiles: Solomon Islands*. Viewed at: https://www.fao.org/fishery/en/facp/slb?lang=en.

[15] Ministry of Forestry and Research (2018), *Solomon Islands National Forest Reference Level: Submission for the UNFCCC Technical Assessment 2019*.

[16] MoFR (2020), *Solomon Islands National Forest Policy 2020*. Viewed at: https://faolex.fao.org/docs/pdf/sol214268.pdf.

4.33. The Ministry of Forest and Research (MoFR) oversees the management of Solomon Islands' forest resources. Its duties encompass drafting and enforcing forestry laws, as well as supervising, auditing, and inspecting logging activities and shipments. Additionally, the Solomon Forestry Association (SFA) plays a significant role in the forestry sector by representing industry interests in dialogues with the Government. All logging firms are mandated by law to be SFA members, with each member company paying an annual SFA membership fee of SBD 1 per cubic metre of exported logs.

4.34. The Forest Resources and Timber Utilization Act (FRTUA) 1969 continues to regulate forest conservation and management, and timber harvesting; promote sustainable forestry practices, and the establishment of plantations; and encourage local timber processing.[17] Under this Act, anyone intending to fell trees or conduct milling activities must obtain a licence from the Commissioner of Forests.[18] These licences are valid for five years and cost SBD 10,000, with an additional annual fee of SBD 10,000. Moreover, licence holders must furnish a bond of SBD 250,000 through the Pan Oceanic Bank (POB) or provide a guarantee from a commercial bank before starting operations. They must submit yearly harvesting plans and secure development consent from the Director of Environment. Under FRTUA and its regulations, prescribed fees are the same for Solomon Islands nationals and foreigners. Nevertheless, foreign companies must register under the Foreign Investment Act. Timber milling operations producing not more than 5000 m^3 of sawn timber per year are excluded from foreign investment (Section 2.4).

4.35. Other entities involved in forestry include the Value Added Timber Association (VATA), established by the MoFR to assist small local resource owners/timber suppliers' access to domestic and overseas markets, and the Solomon Island Timber Processing and Export Association (SITPEA), established by timber milling companies.

4.36. Additional regulations regarding the forestry sector encompass the Environment Act of 1998, mandating an environmental impact assessment prior to the initiation of timber processing operations; the Illegal Logging Prohibition Act of 2012; and the Wildlife Protection and Management Act of 1998,as amended in 2017 which regulates trade in wildlife.

4.37. The 2020 National Forest Policy is the main strategic document guiding the authorities' efforts in the forestry industry.[19] The Policy is designed to promote the sustainable and responsible stewardship of forest resources and ecosystems. Its key components include forest conservation, sustainable forest management, capacity-building, forest economics and marketing, community governance, monitoring, and enforcement, as well as transparency and integrity. Specific measures implemented in each of these areas include the review of the FRTUA 1969 and regulations (currently at the drafting stage), compliance monitoring of logging operations (ongoing); monitoring of the milling quota (ongoing); pilot projects of community-based forest resources management; investigation into other potential forest products and services for economic developments; short- and long-term training for staff (ongoing); and training of resource owners and local communities (ongoing).

4.38. The Policy outlines a set of targeted actions aimed at boosting the forestry sector's role in driving the country's sustainable economic growth. For example, it promotes backing the domestic forest industry in manufacturing processed goods for both local and global markets. A plan is also made for providing incentives to curb illegal logging. Many of the policy targets seem to echo past strategic visions, suggesting that Solomon Islands encounters difficulties in attaining their forestry sector goals. As background factors to this situation, the authorities indicate the lack of effective monitoring and enforcement due to inadequate resourcing, inadequate logistics support, and inadequate investment support on various potential initiatives from the broader forest community, which would require the review of FRTUA 1969 to provide a stronger legal framework.

4.39. Other strategic plans include the Forest Development and Reforestation Programme, which aims to protect, restore, and promote the sustainable use of terrestrial ecosystems. This initiative

[17] FAO, Forest Resources and Timber Utilisation Act (Cap. 40). Viewed at: https://faolex.fao.org/docs/pdf/sol65423.pdf.

[18] The North New Georgia Timber Corporation Act 1979 is implemented in a specific forest area and is outside the Commissioner of Forest's powers regarding export permits.

[19] MoFR (2020), *Solomon Islands National Forest Policy 2020*.

focuses on managing forests sustainably, combating desertification, reversing land degradation, and preventing biodiversity loss.

4.40. In addition, the Pacific Horticultural and Agricultural Market Access Program (PHAMA Plus) seeks to bolster the timber industry through a public-private partnership approach. The project is dedicated to fostering downstream processing and adding value within the forestry sector and timber industry, with the goal of reducing round log exports. Instead of round logs, the authorities wish to promote exports of value added products mainly to Australia and New Zealand by helping sustainable product exports. Furthermore, PHAMA Plus aims to support teak plantations and enhance their marketing efforts.

4.41. Forestry products are subject to an array of measures that were highlighted during Solomon Islands' previous Review. As part of support measures in place at the time of the previous Review, the Government provided a freight subsidy to local timber suppliers, and storage facility at VATA yard (at Henderson and Honiara).

4.42. Exporters of round logs must obtain approval from the CBSI, following clearance from the MoFR. For timber products other than round logs, an export permit from the MoFR is required. The export of high-value species such as vitex, kwila, and rosewood in their raw roundwood form is prohibited; these species must be exported as processed timber. Approval from the Ministry of Environment, Climate Change, Disaster Management, and Meteorology is required for exporting species like ngali nut and tubi.

4.43. Log exports are subject to an export tax, the rates of which vary based on the species and quality (Section 3.2.2).

4.2 Mining and energy

4.2.1 Mining

4.44. Of Solomon Islands' deposits of gold, copper, lateritic bauxite, lead, nickel, and zinc, only gold, bauxite, and nickel are currently exploited at an industrial scale and exported.

4.45. The Department of Mines and Energy in the Ministry of Mines, Energy and Rural Electrification (MMERE) has the responsibility of administering and regulating the mining sector. The Minerals Board under the MMERE is responsible for granting rights and enforcement.

4.46. Mining governance faces major legal and institutional challenges, hindering the industry's development. For example, the World Bank highlights that challenges in mining management can impact investment, thereby affecting exports, government revenues, and local development opportunities in the sector.[20] It notes that key governance issues include friction between mining rights allocated by the Government and customary land use, which complicates relations among the Government, miners, landowners, and communities, affecting land access, resource use, benefit sharing, and local development. On the other hand, export duties from minerals increased over recent years; according to the authorities, in 2023, export duty from minerals contributed around 1.5% of government revenue, up from 0.05% in 2020.

4.47. The World Bank also considers that the Government faces difficulties securing a fair share of mining revenues due to asymmetric information.[21] In fact, fiscal terms for mining have historically varied, with agreements made on a case-by-case basis through a Tax Memorandum of Understanding (MOU) between mining companies and the Minister of Finance. This also includes a tax credit scheme available to mining companies for their costs of constructing "approved infrastructure" for the local community.[22] An example is the improvement of Tinahulu Bridge and Central Guadalcanal by Gold Ridge Mining Ltd. Although recent initiatives regarding the fiscal framework aim at achieving greater standardization, the implementation has been somewhat

[20] World Bank (2020), *Project Information Document: Solomon Islands Sustainable Mining Development Technical Assistance Project (P173018)*. Viewed at: https://ewsdata.rightsindevelopment.org/files/documents/18/WB-P173018.pdf.

[21] World Bank (2020), *Project Information Document: Solomon Islands Sustainable Mining Development Technical Assistance Project (P173018)*.

[22] Mines and Minerals (Amendment) Act 2014 and Income Tax (Amendment) Act 2014.

inconsistent.[23] The authorities plan to engage in a review of the current fiscal regime for the mining industry with assistance from the World Bank.

4.48. In response to these challenges, and after several rounds of stakeholder consultations, the authorities have developed a National Mining Policy (NMP), the first of its kind, which was endorsed by the Government in March 2017. This policy aims to strengthen governance, make decisions more transparent and inclusive, offer greater investment certainty, and create a system that better protects community interests.

4.49. Among the measures taken by the authorities to implement the NMP are the revisions to the mining legislation, which is ongoing.[24] The review of the Mining Act launched in 2018 has led to the drafting of the Minerals Resources Bill 2023, which is yet to be put before Parliament.

4.50. The legislative framework has remained broadly unchanged. The Mines and Minerals Act 1990, together with its implementing regulations, is the main law governing mining activities in Solomon Islands. It assigns the ownership of minerals to the people and the Government of Solomon Islands. In accordance with the Act, a permit from the Department of Mines is required prior to engaging in any prospecting and mining activity. The approval of landowners is a prerequisite for the delivery of a permit. Permits may be issued as reconnaissance permits, prospecting licences, or mining leases. These permit applications are reviewed by the Minerals Board, which includes representatives from both the central and relevant provincial governments, as well as landowners. The Minerals Board is responsible for determining the scope and duration of permits, as well as the obligations of the permit holders. As at June 2024, there were 17 prospecting licences, 5 mining leases, 8 building materials permits[25], 18 gold dealers licences, and 10 alluvial miners permits.

4.51. As stated by the authorities, there are no statutory restrictions on foreign ownership of permits, except that gold dealers' licences and alluvial minerals permits are reserved for Solomon Island citizens. Requirements to obtain various permits in the mining sector are identical for both nationals and foreigners. The Mine and Minerals (Nickel) (Royalty) Regulations 2023 was adopted in October 2023 with a view to guiding the determination of the official gross value of nickel. It indicates that the specified standard for this purpose is the London Metal Exchange.[26]

4.52. Holders of mining permits must pay royalties according to various modalities. The royalty rate is set at 3% of the gross value for the most precious minerals, including gold, copper, silver, nickel, bauxite, and iron ore.[27] For other types of minerals, the royalty rates are determined by the line ministry in consultation with the Minister of Finance. For any other minerals found, a rate will be prescribed by both the Ministers in charge of finance and mines. Royalties from the most precious metals are paid into the Consolidated Revenue of the Government and distributed as follows: 40% to landowners, 10% to the relevant Provincial Government, and 50% to the central government. If the mining project is in an area without a landowner, the landowners' portion is included in the consolidated revenue. For other minerals, royalties are paid into a Mining Royalty Special Fund, with the allocation and usage of the fund determined by the line ministry.

4.53. The annual tenement fee for mining leases is SBD 1 million. Business licences payable under the Provincial Business Ordinances to the Provincial Government hosting the mining operations are determined by each Provincial Government and are not standardized. The Mining Fees for Isabel Provincial Government is SBD 5 million, and for Guadalcanal Province is SBD 500,000. Gold and other metals are subject to export taxes (Section 3.2.2).

[23] MMERE (n.d.), *National Minerals Policy, 2017-2021*. Viewed at: https://solomons.gov.sb/wp-content/uploads/2020/02/National-Minerals-Policy.pdf.

[24] World Bank (2020), *Project Information Document: Solomon Islands Sustainable Mining Development Technical Assistance Project (P173018)*.

[25] These permits are required to extract aggregate and sand, including construction materials such as coronous material (coral fill) for road construction.

[26] Mine and Minerals (Nickel) (Royalty) Regulations 2023. Viewed at: https://solomons.gov.sb/wp-content/uploads/2023/10/Gaz-No.-124-Sup-No.50-Tuesday-24th-October-2023.pdf.

[27] For gold and silver, the "gross value" means the London pm price fix in US dollars as determined by the London Bullion Market Association for refined gold and silver as at the date of the refinery receipt multiplied by the certified quantity of gold and silver as issued by the relevant refinery. As for other minerals, such as nickel, the market value is determined by the London Metal Exchange or the Shanghai Metal Exchange depending on the Port of Discharge of the Nickel Ore Shipment.

4.54. Solomon Islands does not participate in the Extractive Industries Transparency Initiative (EITI) or the Kimberley Process.

4.2.2 Energy

4.2.2.1 Overview

4.55. Solomon Islands, a net energy importer, relies significantly on imported petroleum products to satisfy its energy needs across various sectors, including transportation, electricity generation, mining, and domestic use. The Petroleum Act of 1996 regulates imports, storage, handling, transport, and distribution of petroleum. Two companies (Markwarth Oil Ltd (foreign) and South Pacific Oil Ltd (domestic)) supply Solomon Islands with petroleum products. Petroleum prices are regulated and periodically reviewed based on monthly submissions from oil companies to the Ministry of Commerce, Industry, Labour, and Immigration (MCILI). Licences are required to become petroleum importers per the Petroleum Act.

4.56. The total domestic energy supply comprises 56% fossil fuels and 44% renewable energy, made up of solar, bioenergy (wood, coconut shells, and oil palm waste), and hydropower.[28]

4.57. Efforts are ongoing with a view to diversifying Solomon Islands' energy supply away from fossil fuel. For example, the country's Renewable Energy Strategy and Investment Plan identifies options to capitalize on the significant biomass resources available in the country. These include biomass gasification technology to generate power from coconut and forestry waste; direct combustion to produce steam via a turbo alternator by burning waste and by-products for power generation; the direct use of coconut oil as a complete or blended substitute for diesel; and the production of biodiesel from biomass.[29]

4.58. Other actions aiming to promote energy transition include implementing the 2016 Minimum Energy Performance Standards Labelling Policy, which seeks to improve energy efficiency and conservation by 10% across all sectors by 2025. As part of the Pacific Appliance Labelling and Standards programme, the authorities also implemented initiatives such as energy labelling and rating for appliances such as refrigerators, freezers, televisions, and air conditioners (Section 3.3.2.3).

4.59. Regarding electricity distribution, infrastructure upgrades have led to reduced distribution losses from 20% in 2010 to 6% in 2018. The International Renewable Energy Agency (IRENA) notes that such actions have improved Solomon Islands' energy intensity performance, declining from 5.6 MJ to 3.8 MJ per USD of GDP between 2012 and 2018.[30]

4.60. The Energy Division within the MMERE oversees energy policy, renewable energy development, and project implementation. As the primary government agency, the MMERE is responsible for the development of petroleum, energy, water resources, and rural electrification in Solomon Islands. In recent years, its mission has increasingly focused on the development of renewable energy sources.

4.61. In 2019, the MMERE adopted the Solomon Islands National Energy Policy (SINEP) 2020-2030. The Policy aims to unlock the development potential of Solomon Islands' economic base by fostering a dynamic and effective energy sector. In terms of specific actions, the policy seeks to develop comprehensive energy legislation; increase electricity access for urban households to 80% and for rural households to 35% by 2025; enhance access to safe, affordable, and reliable petroleum fuels in remote rural locations; increase renewable power generation to 50% by 2035; and improve energy efficiency and conservation in all sectors by 10% by 2030.[31]

[28] International Renewable Energy Agency (IRENA) (2024), *Solomon Islands: Renewables Readiness Assessment*. Viewed at: https://www.irena.org/Publications/2024/Feb/Renewables-readiness-assessment-Solomon-Islands

[29] IRENA (2024), *Solomon Islands: Renewables Readiness Assessment*.

[30] IRENA (2024), *Solomon Islands: Renewables Readiness Assessment*.

[31] IRENA (2024), *Solomon Islands: Renewables Readiness Assessment*.

4.62. The Renewable Energy Roadmap 2021 aims at achieving 100% renewable energy (mainly solar and hydro energy) for Honiara by 2030.

4.2.2.2 Electricity

4.63. The legal framework of the electricity sector remained broadly unchanged during the review period. The Electricity Act of 1989 (last amended in 2023) is the main law governing electricity generation, transmission, and distribution activities.

4.64. Access rates to electricity in Solomon Islands have increased steadily in recent years, more than doubling from 35.4% in 2010 to 76.3% in 2021. Numerous households, in particular in rural communities, continue to lack access to the electricity grid, due mainly to challenges such as long distances and challenging topography, high expenses associated with connecting new customers, and the scarcity of available financing to support new infrastructure projects. The national targets for electrification are stipulated in the SINEP. The strategic vision was translated into the 2022 Solomon Islands Electrification Strategy (Section 4.2.2.1).

4.65. The electricity tariff is regulated through the Electricity Act and the Electricity (charges of supply) (No. 3) Regulations of 2024. Tariffs are determined by the MMERE on the recommendation of the SIEA. The monthly tariff review considers the fuel price movements, the CPI, PPI, and exchange rate changes. The tariff consists of three components: a network access charge, a fuel charge, and an energy charge. Electricity supply is not subject to the sales tax. All customer groups (residential, commercial, industrial, and government) pay the same fuel rate, although they each pay different rates for network access and energy use. As was the case during the previous review period, tariff charges in Solomon Islands are high by the pacific region standards. This contributes to increasing costs of doing business in the country. According to IRENA, in 2022, electricity tariffs (per 4 kWh) stood at USD 0.80 for residential users and USD 0.73 for commercial users.[32]

4.66. The electricity supply capacity increased between 2010 and 2021, from 79.1 million kWh to 97.5 million kWh (Table 4.2). The main fuel for all operations is diesel, which accounts for 39% of the country's total greenhouse gas emissions. The share of installed grid-connected renewable energy is low (2% in 2018). The run-of-river Tina Hydropower Development Project (15 MW), which was already initiated at the time of the previous Review, is the main project in the realm of electricity supply. It is expected to provide 68% of electricity demand for Honiara and will further improve the country's energy mix.

Table 4.2 Energy produced, 2017-22

(GWh)

Station	2017	2018	2019	2020	2021	2022
Lungga	80.73	81.75	83.04	83.74	83.46	81.96
Honiara	1.65	2.46	2.80	1.85	1.52	2.40
Outstations	9.73	11.17	11.77	11.96	11.67	11.6
Henderson Solar (1 MW)	1.19	0.89	1.47	1.40	1.30	1.35
Ranadi Solar (50 kW)	0.042	0.015	..	..	..	..
Independent Power Producers (IPPs)	0.94	0	0	0	0	0
Total	**94.282**	**96.285**	**99.08**	**98.95**	**97.95**	**97.31**

.. Not available.

Source: Solomon Power (2023), *Annual Report 2022*. Viewed at: https://solomonpower.com.sb/wp-content/uploads/2023/08/Solomon-Power_ANNUAL-REPORT-2022_v7_Revised.pdf.

4.67. Investment opportunities in the electricity industry are often limited by the small market size and the absence of innovative financing mechanisms for renewable energy. For instance, there is a need for mechanisms such as risk financing facilities or investments facilitated through public-private partnerships.

4.68. The Solomon Islands Electricity Authority (SEIA) is a state-owned power utility; it was established under the Electricity Act and trades as Solomon Power. It is the main supplier and the exclusive transmitter and distributor of electricity in the country. Among other things, it is mandated

[32] IRENA (2024), *Solomon Islands: Renewables Readiness Assessment.*

to oversee the licensing of standby generators[33], Independent Power Producers (IPPs), and co-generation of power. Foreigners may invest in the electricity industry provided that an agreement is made with Solomon Power.

4.69. Incentives, such as customs duties and sale tax exemption on solar development project materials, are in place to promote solar technology.

4.3 Manufacturing

4.70. In 2022, manufacturing accounted for 8.2% of GDP. The main subsectors included food, beverages and tobacco, and wood products.

4.4 Services

4.4.1 Financial services

4.4.1.1 Overview

4.71. The financial services sector, including financial intermediation and insurance activities, accounted for 2.1% of GDP in 2022. This marks a decline from the average contribution of 3% to GDP observed since 2017 (Table 1.1). Total financial assets stood at SBD 11.7 billion in 2023.

4.72. The domestic financial system consists of 4 commercial banks (3 foreign bank branches of foreign incorporated companies, 1 locally incorporated company), the Solomon Islands National Provident Fund (SINPF), the Development Bank of Solomon Islands (DBSI), 3 life insurance companies (all foreign-owned), 1 foreign-owned general insurance company, 2 domestic insurance brokers, 2 insurance agents, and 10 credit unions. In 2023, commercial banks accounted for about 61% of the total assets in the financial system, the SINPF held about 29%, and the rest of the financial institutions accounted for the remaining balance (Table 4.3).[34]

4.73. The DBSI was brought into operation in 2020, pursuant to the Development Bank of Solomon Islands Act 2018. It was established to promote economic and social development, with a particular focus on inclusive economic growth, rural development, support for manufacturing and industrial activities, assistance for business startups, promotion of export and import substitution, and encouragement of technology use in business.[35] It has set up a number of facilities to support that effort (Section 3.3.1.2).

4.74. The CBSI is the main regulator of the financial services sector. It aims to promote and maintain a stable financial system, and to support the general economic policies of the Government.[36]

4.75. The CBSI's 2023 Annual Report indicates that there was a review of existing legislation and the development of new guidance notes and directives. These include the review of the existing Financial Institutions Act (1998) as amended (FIA), the Insurance Act 1982 (IA), Practice Guidance Note 3 on Governance, Practice Guidance Note 4 on Credit Risk Management, and a directive on allowance for boards of credit unions. The authorities state that the reviews were necessary to accommodate the changing business environment and support the risk-based supervision framework of CBSI.

[33] Standby generators are backup power systems designed to automatically provide electricity to a home or business during a power outage.

[34] CBSI (2023), *2022 CBSI Annual Report*. Viewed at: https://www.cbsi.com.sb/wp-content/uploads/2023/04/CBSI-Annual-Report-2022-final.pdf.

[35] DBSI, *Sustainable Development Focus of the Bank*. Viewed at: https://dbsi.sb/our-strategic-focus/.

[36] CBSI (2021), *2020 CBSI Annual Report*. Viewed at: https://www.cbsi.com.sb/wp-content/uploads/2022/03/CBSI-Annual-Report-2020.pdf.

Table 4.3 Financial system assets, 2017-23

(SBD million)

	2017	2018	2019	2020	2021	2022	2023
Commercial banks and credit institutions	5,688	6,132	6,070	6,368	6,685	6,908	7,215
SI NPF	3,170	3,468	3,830	3,756	4,104	3,851	4,202
Insurance companies	126	136	148	159	180	195	193
Credit unions	66	71	80	85	94	96	93
Total	9,050	9,807	10,128	10,368	11,063	11,050	11,703

Source: Information provided by the Central Bank of Solomon Islands.

4.76. Access to financial services poses a significant challenge to the development of opportunities in Solomon Islands, in particular in rural and remote areas where domestic savings rates are low. The main obstacles include poor availability of collateral, strict bank lending controls, and the prevailing banking risks including country risks. Consequently, there is very limited financing available for investments by small income earners. The country's National Development Strategy recognizes that it is essential to explore ways to provide loans and financial capital to rural or low-income earners. This would help them build livelihoods and improve living standards by utilizing their limited resources, customary land, and other assets and commodities.

4.77. The authorities' ambition in the financial sector includes finding ways to incentivize domestic and international financial institutions to provide adequate financial services and loans to private sector investors and entrepreneurs.[37] Among actions to operationalize the authorities' priorities, the Solomon Islands National Financial Inclusion Strategy 2 2016-2020 (NFIS2) was the country's roadmap during most of the review period. It represents the authorities' vision, and it guides their efforts to drive financial inclusion in the country. The current version (NFIS3 2021-2025) was adopted in 2021. The authorities note that progress was made despite the structural challenges confronting financial inclusion. By the end of 2020, there were 273,469 active users of financial accounts, of which 140,861 were women, representing 91% of the targeted adults and 94% of the overall target of women users. The CBSI's 2023 report states that by the end of 2023, total active users of financial accounts reached 264,321, of which 147,200 (56%) were women.[38]

4.78. Among the country's strategic objectives, the authorities aim to enhance the reach and quality of digital finance channels. As part of this effort, a Regulatory Sandbox Framework was launched in 2022. This framework provides a controlled environment for innovators to develop responsible financial technological solutions, thereby improving the delivery of financial services in Solomon Islands. According to the authorities, this initiative has resulted in the emergence of alternative digital payment channels that customers can use to access financial services.

4.79. The National Payment Systems Act was enacted in 2022. It provides the legal basis for the introduction of an electronic payments and settlement system. According to the IMF, this represents a significant step towards increased access to affordable, efficient, and resilient digital payment services.[39]

4.80. As part of their strategy, the authorities aim to enhance financing options for MSMEs. They introduced an SME Credit Guarantee Scheme in 2005 and a MSME Credit Line Facility in 2021 through the MCILI. These initiatives are managed by the CBSI and the DBSI, respectively (Section 3.3.1.2). Additionally, the CBSI developed the Export Credit Facility (Section 3.2.5).

4.81. In addition, an integral part of the Strategy deals with actions to include women, youth, and rural families as fully engaged participants in the national financial sector. Such actions include training sessions on financial literacy.

[37] Ministry of Development Planning and Aid Coordination (2016), *National Development Strategy, 2016 to 2035*. Viewed at: https://solomons.gov.sb/wp-content/uploads/2020/02/National-Development-Strategy-2016.pdf.

[38] CBSI (2023), *2023 CBSI Annual Report*. Viewed at: https://www.cbsi.com.sb/wp-content/uploads/2024/04/CBSI-Annual-Report-2023-Final.pdf.

[39] IMF (2023), *Solomon Islands: Staff Report for the 2023 Article IV Consultation*, IMF Country Report No. 23/162. Viewed at: https://www.imf.org/en/Publications/CR/Issues/2023/05/11/Solomon-Islands-2023-Article-IV-Consultation-Press-Release-and-Staff-Report-533278.

4.82. Among measures in place to facilitate access to bank credit, the Secured Transactions Law 2008 makes it possible for movable assets such as boats, cars, and farm equipment to be used as collateral for access to bank credit; land can also be used as collateral. In addition, a filing office for the collateral's ownership and an electronic registry to ensure they are in place are being created. All of these measures have potential to lower lending risks and bring down transactions costs in Solomon Islands.

4.4.1.2 Banking

4.83. According to the IMF, the financial sector in Solomon Islands was strong and profitable in recent years, with a high capital adequacy ratio of 32.9%, well above the regulatory requirement of 15%, and returns on assets and equity also improved in 2022.[40]

4.84. In the banking sector, the ratio of non-performing loans decreased to 9.4% at the end of 2022, down from 11.8% in June 2020, indicating better loan performance and credit quality (Table 4.4).

Table 4.4 Financial stability indicators, 2018-23

(%)

	2018	2019	2020	2021	2022	2023
Tier 1 capital	30.0	30.8	31.5	31.2	32.8	34.2
Total regulatory capital	31.1	31.3	33.7	32.9	32.9	33.8
Liquid assets to total assets	40.4	37.4	45.4	46.4	47.6	47.3
Non-performing loans (share in gross loans and advances)	7.1	10.4	10.6	10.4	9.4	9.6

Source: Information provided by the CBSI, and CBSI (2021), *Financial Stability Report 2021*. Viewed at: https://www.cbsi.com.sb/wp-content/uploads/2022/06/CBSI-Financial-Stability-Report-DEC-2021.pdf.

4.85. The Financial Institutions Act of 1998 outlines regulations concerning ownership and licensing requirements, minimum capital, limitations on business operations, and penalties, among other provisions. The current licensing requirements for commercial banks apply equally to domestic and foreign investors. The authorities state that the current prudential standards for banks are the same for domestic and foreign banks.

4.4.1.3 Credit unions

4.86. Despite their relatively small share in the national financial system, credit unions bear a particular importance in the financial context of Solomon Islands, as they primarily aim at reaching groups of people who are particularly vulnerable or disadvantaged in terms of access to financial services. As such, they play a crucial role in promoting financial inclusion and providing services to unbanked and underserved individuals.

4.87. During the previous Review, it was emphasized that the credit union industry was undermined by governance challenges, including an inadequate policy framework and procedures for risk management, as well as a lack of prudent fund management practices. In 2023, the CBSI adopted and carried out guidance notes on governance, credit risk management, and a directive on allowance for the boards of credit unions.[41]

4.88. The Credit Union Act 1986 continues to be the main legal framework for credit unions in Solomon Islands.

4.4.1.4 Insurance

4.89. The Insurance Act 1995 remains the main regulatory basis of the insurance industry. The sector mainly comprises general (non-life) and life insurance providers.

[40] IMF (2023), IMF Country Report No. 23/162.
[41] CBSI (2023), *2023 CBSI Annual Report*.

4.90. The three foreign-owned insurers in the country undertake general insurance activities; one provides both general and life insurance. Life insurance activities remain underdeveloped. The only compulsory insurance is third-party insurance for motor vehicles and workers' compensation.

4.91. The authorities note that the vulnerabilities relating to climate risks, changing weather patterns, and natural disasters may be a potential threat to domestic insurance as they could expose the industry to significant losses during large claim payouts. In the past years, the sector has incurred significant losses due to weather impacts, and any significant climate-related shocks could trigger significant pressure on the insurance industry's capital reserves.

4.92. According to the CBSI, another challenge confronting the insurance sector is the increasing cost of reinsurance. This trend became apparent with a notable 20% spike in reinsurance costs in 2022. In response, underwriters are adapting by transferring these increased costs to customers.[42]

4.93. Insurers and insurance brokers and agents are required to be licensed for a specific class of business specified in the Insurance Act.

4.94. As at the time of the previous Review, foreign reinsurance firms are able to offer services without establishing in Solomon Islands for services that have been explicitly "exempted" by the Minister of Finance and Treasury. Exemptions can be granted for services that cannot be covered by insurance companies licensed by the CBSI or for "public interest" reasons.

4.4.2 Telecommunications

4.4.2.1 Market structure and regulation

4.95. Access to telecommunications services has improved markedly in recent years (Table 4.5), mainly reflecting the introduction of cable networks in 2020.

Table 4.5 Key ICT indicators, 2010, 2020, and 2021

	2010	2020	2021
Mobile subscribers	115,500	406,567	443,205
Mobile penetration	20%	59%	64%
Mobile coverage	20%	96%	96%
Fixed lines	8,400	6,279	6,209
Internet subscribers			
Mobile	8,205	139,772	169,272
Wireless (hotspot)	127	33	37
Fixed (ADSL)	1,359	908	736
Dial-Up	1,163	1	0
Internet penetration			
Mobile broadband	1.80%	20.12%	24.37%
Fixed line (ADSL)	0.02%	0.13%	0.11%
Internet providers	1	5	5
Gross revenues (SBD m)	106	466	451
Revenues as a percentage of gross domestic product	2%	4%	4%
Average revenue per user per access (SBD)	943	1,126	1,002
Number of mobile operators	2	2	2

Sources: National e-commerce Strategy 2022-2027. Viewed at: https://pacificecommerce.org/wp-content/uploads/2023/04/Solomon-Islands-National-E-commerce-Strategy-_2022-2027_web.pdf.

4.96. The fixed telephony segment is serviced by Solomon Telekom Company Limited, a *de facto* monopoly. Solomon Telekom is the historic operator in which the Investment Corporation of Solomon Islands (the holding company for the Government's business investments) holds a stake of around 3% of shares. However, the National Provident Fund, an institution whose board members are appointed and terminated by the Minister of Finance, owns the remaining shares. The company also participates in mobile and Internet services provision.

[42] CBSI (2023), *1H23 Financial Stability Report*. Viewed at: https://www.cbsi.com.sb/wp-content/uploads/2023/12/CBSI-Financial-Stability-Report-2023_Updated.pdf.

4.97. Bemobile Ltd has been the second mobile telephony services provider since 2010. Solomon Telekom and Bemobile (100% PNG company) hold about 84% and 14%, respectively, of the mobile market in terms of subscriptions in 2024. There is no number portability. There are currently seven licensed Internet service providers.

4.98. According to UNCTAD, the telecom authorities have made progress in maintaining a fair telecommunications market, contributing to increased mobile phone and Internet penetration, as well as improvements in service availability, variety, and quality. However, greater cooperation among providers within the sector is necessary, particularly in terms of network and infrastructure sharing, as the costs of expanding networks in remote areas are rising steeply.[43]

4.99. A submarine cable project that was underway during the previous Review was realized with the landing in 2020 of the Coral Sea Cable System (CS2), co-funded by the Governments of Solomon Islands and Australia. Additionally, the deployment of the Solomon Islands Domestic Network (SIDN), which connects four provinces, has significantly enhanced the country's Internet infrastructure. According to the authorities, these developments have paved the way for new opportunities in online commerce and digital trade. The Solomon Islands Submarine Cable Company Limited, a government-backed joint venture company[44], is the wholesale operator, selling international and domestic capacity to any licensed operators in Solomon Islands.

4.100. The legal and institutional framework did not significantly change during the review period. Telecommunications services continue to be regulated under the Telecommunications Act 2009. The Ministry of Communications and Aviation is the main government entity in charge of formulating and developing legislation and strategic policies in the sector. Under the Telecommunications Act, the Telecommunications Commission of Solomon Islands (TCSI) is the regulatory authority.

4.101. In accordance with the Telecommunications Act, telecommunications providers must be licensed by the TCSI; licensing requirements and conditions are the same for both nationals and foreigners. The Commission may issue an individual or a class licence. Individual licences are issued for terms between 5 and 20 years. As at the time of the previous Review, applications for a service licence or the assignment of radio spectrum incur a fee of SBD 200. Licensed service providers must also pay an annual licence fee, which is set at 2% of their gross revenue for the financial year, the maximum amount permitted by legislation.

4.102. Telecommunications service providers are free to negotiate interconnection agreements and access services without requiring approval from the TCSI. However, the Commission has the authority to regulate service prices if a provider is deemed dominant.

4.103. While legislation provides for the establishment of a telecom Universal Access Plan and a Universal Access Special Fund, the authorities consider that it would not be necessary for the time being.

4.104. In the area of postal services, the Solomon Islands Postal Corporation Act 1996 remains the main legislative instrument. The Solomon Islands Postal Corporation has the exclusive right to convey standard letters and issue postage stamps.

4.105. There is no restriction on foreign direct investment. Domestic service providers and foreign service providers are subject to the same licensing/approval procedures.

4.4.2.2 Digital economy

4.106. Efforts to promote the digital economy in Solomon Islands are currently underway, though still in the early stages. In 2022, the authorities adopted the National E-commerce Strategy 2022-2027, in which Internet connectivity is considered an important element.[45] The

[43] UNCTAD (2018), *Solomon Islands: Rapid eTrade Readiness Assessment*. Viewed at: https://unctad.org/system/files/official-document/dtlstict2018d6_en.pdf.

[44] SISCC's shareholders are ICSI, which owns 51% of the share capital, and SINPF, which owns the other 49%.

[45] Pacific Digital Economy Programme (2019), *National E-commerce Strategy 2022-2027*. Viewed at: https://pacificecommerce.org/wp-content/uploads/2023/04/Solomon-Islands-National-E-commerce-Strategy-_2022-2027_web.pdf.

authorities consider that the digital economy, in particular e-commerce, holds significant potential to support MSME growth and boost productivity.

4.107. UNCTAD's 2018 eTrade Readiness Assessment on Solomon Islands identified weak Internet infrastructure as a key factor limiting the growth of the digital economy.[46] Since then, authorities have made significant efforts to address this challenge (Section 4.4.2.1).

4.108. UNCTAD considers that there are also innovative actions in the postal services with the aim to promote digital economy.[47] As an example, the Solomon Islands Postal Corporation is embracing e-commerce opportunities. It has recently partnered with the Universal Postal Union to create a national project to adopt the Operational Readiness for E-commerce, which includes a roadmap and Action Plan to overcome operational barriers to cross-border online shopping, modernize processes, enhance service quality, and utilize IT tools and electronic data interchange messages.

4.4.3 Transport

4.4.3.1 Overview

4.109. Ensuring physical connectivity for the urban economy of Honiara and other dynamic economic centres is essential for the livelihoods of both urban and rural communities. Solomon Islands' geography, characterized by small, remote, and dispersed islands, results in high transportation costs for people and goods. As a result, Solomon Islands faces significant challenges in developing effective transport infrastructure across air, land, and maritime modes.

4.110. The Solomon Islands National Transport Plan (NTP) 2011-2030 aims to develop an effective transport infrastructure and services to support sustained economic growth and social development in Solomon Islands. It provides a framework to develop and maintain the transport sector's physical infrastructure and services and improve the capacities of government agencies and the private sector. Under the Plan, government funding is aligned with development partner assistance through the National Transport Fund. The NTP targets to rehabilitate the country's transport infrastructure assets by 2030.

4.4.3.2 Air transport and airports

4.111. The operating environment for the air transport industry in Solomon Islands is characterized by a relatively small population spread across several islands, posing challenges for companies in providing air services. Additionally, because Solomon Islands is a small economy reliant on a limited range of activities, and subject to seasonal fluctuations associated with tourism peaks and troughs, the air traffic routes are significantly uneconomical. As a policy response, an annual allowance, the Community Service Obligation (CSO), is disbursed to the country's government-owned airline company to continue to provide air transport services to certain segments of the community at a loss. In 2024, Solomon Airlines Ltd and other SOEs receive CSO payments of SBD 11 million.[48] Other existing incentives include tariff exemptions applicable to fuel, lubricants, commissary services, some technical supplies, and parts for domestic and international aircraft (Section 3.1.3.3). Specialized ground equipment imported for airport maintenance is exempt from customs duties.

4.112. The air transport infrastructure is generally undermaintained and increasingly vulnerable to the impacts of climate change. The authorities are aware of these challenges and specific projects are in place to address them, in collaboration with development partners. As an example, the USD 89 million Second Solomon Islands Roads and Aviation Project (SIRAP2) is expected to, *inter alia*, make the country's aviation sector safer, more efficient, and more climate resilient.[49] The Civil Aviation Special Fund was put in place to enhance aviation infrastructure and facilities. The

[46] UNCTAD (2018), *Solomon Islands: Rapid eTrade Readiness Assessment*.
[47] UNCTAD (2018), *Solomon Islands: Rapid eTrade Readiness Assessment*.
[48] Solomon Islands Government (2024), *2024 Financial Policy Objectives and Strategies*. Viewed at: https://solomons.gov.sb/wp-content/uploads/2024/01/2024-Financial-Policy-and-Objectives-Vol-1.-FINAL.pdf.
[49] World Bank (2022), "Second Aviation and Roads Project to Boost Economic Development in Solomon Islands", 1 June. Viewed at: https://www.worldbank.org/en/news/press-release/2022/06/01/second-aviation-and-roads-project-to-boost-economic-development-in-solomon-islands.

revenues for the fund were primarily from air navigation fees from upper air space. Other revenue sources include fees and charges levied by the Civil Aviation Authority of Solomon Islands (CAASI).

4.113. The legal and institutional framework remained broadly unchanged during the review period. The Civil Aviation Act 2008 is the primary legislation that governs all aviation activities and arrangements. CAASI was established pursuant to the Civil Aviation Act 2008. It has the mandate to promote aviation safety and security through effective safety regulation of the civil aviation industry. CAASI is responsible for granting Air Operator Certificates for international and domestic scheduled and non-scheduled air service operations into and within Solomon Islands.

4.114. Since October 2023, Solomon Islands Airports Corporation Ltd has been responsible for providing air traffic services (i.e. air traffic control, flight information and alerting services, and ground support facilities), operating air navigation systems, and managing airports. SIACO manages eight government-owned airports including Honiara and Munda, the only airports with paved runways. The Ministry of Communications and Aviation (MCA) implements government policy; the MCA governs the country's 14 privately owned airfields. Aerodrome operating certificates are issued by CAASI; foreign companies are not eligible to obtain such certificates. Ground-handling for scheduled and non-scheduled passenger services is provided by Solomon Airlines. Airports and airfield assets are owned by the Government through SIACO.

4.115. Reflecting the country's low scheduled air traffic volumes, international services primarily operate from a limited number of locations, including Brisbane, Nadi, Port Vila, and Port Moresby. The international network is served by Solomon Airlines, Air Niugini (Papua New Guinea), QantasLink (Australia), and Fiji Airways. Solomon Airlines is a government-owned company. It is engaged in both domestic and international air transport, including cargo and charter operations. The company currently has a codeshare service with Qantas, Air Niugini, and Fiji Airways.

4.116. The conditions for allocating air traffic rights to a foreign company include compliance with technical requirements, the existence of a multilateral or bilateral agreement with its country of origin, and the designation of the company in question by the civil aviation authority of the country of origin.

4.117. Solomon Islands has bilateral air services agreements with Australia, China (since 2023), Fiji, Nauru, New Zealand, Papua New Guinea, Singapore (2018), Türkiye (2019), and Vanuatu. Cabotage rights are not provided in any of these agreements. Some of these agreements provide for the 4th and 5th freedom rights. In addition, in 2023, Solomon Islands and New Zealand signed a renewed Air Service Agreement, which entered into force in July 2024. This new agreement will replace the previous one that was signed in 1990; according to the authorities, this is aimed at improving connectivity.

4.118. Solomon Islands is a member of the Pacific Aviation Safety Office under the Pacific Islands Civil Aviation Safety and Security Treaty. It also participates in the Pacific Islands Air Services Agreement (PIASA), although it has not yet ratified it.

4.4.3.3 Maritime transport and ports

4.119. Maritime transport is the primary mode of transport for people and goods in Solomon Islands. The economy is dependent on inter-island transfers to support domestic trade and commodity exports. Maritime infrastructure includes three international ports (Honiara, Noro, and Leroy) and a number of community jetties and boat ramps.[50] Inter-island shipping connects various points in the archipelago to Honiara, and local boats provide important links between rural areas. During the review period, the port authorities arranged for the Port of Honiara to mainly handle international cargo, with fish transhipment largely diverted to the Port of Noro.

[50] Pacific Maritime Technology Cooperation Centre (n.d.), *Improving the Availability of Maritime Transport Cost Data in the Pacific Region: Solomon Islands Country Report*. Viewed at: https://wwwcdn.imo.org/localresources/en/OurWork/Environment/Documents/SPC%20Country%20reports/Transport%20cost%20data_02_Solomon%20Islands.pdf.

4.120. Specialized equipment imported for port maintenance is exempt from customs duties. In addition, similar exemptions apply to fuel, lubricants, and commissary services for use in ships that are engaged in international services (Section 3.1.3.3).

4.121. The authorities envision establishing robust maritime governance, regulation, and coordination, while also facilitating transformative projects that focus on an equitable transition to a sustainable future. To fully leverage the potential of decarbonizing the maritime sector and adopting emerging technologies, the Solomon Islands Maritime Development and Resilience Strategy 2024-2030 was developed to coordinate initiatives and projects adopted in 2023.

4.122. The institutional framework did not change significantly during the review period. The Ministry of Infrastructure Development (MID) is responsible for constructing, rehabilitating, and maintaining publicly owned assets in the maritime industry. Pursuant to the Solomon Islands Maritime Authority Act, the Solomon Islands Maritime Authority (SIMA), previously the Solomon Islands Maritime Safety Administration, is the regulatory authority in the maritime sector. It oversees maritime safety standards. In 2018, the SIMA Act was amended, with the aim of making SIMA a self-funded organization to provide better service to the shipping industry and implement and enforce maritime conventions and agreements to which Solomon Islands is a party.

4.123. The legal framework also remained broadly unchanged. The Shipping Act 1998 (No. 5 of 1998) and its regulations are the main legislation governing the sector. The Act provides for, *inter alia*, criteria of nationality of ships of Solomon Islands for their registration and regulates navigation in water of Solomon Islands.

4.124. There is no statutory limitation to the number of scheduled or non-scheduled international maritime transport service providers. Foreign companies providing international maritime transport services in Solomon Islands are not required to establish locally.

4.125. The Shipping Act provides for a number of requirements in the industry. For example, domestic flag vessels must be wholly owned by Solomon Islands citizens or corporations with their principal place of business in Solomon Islands. In addition, the crew on domestic flag vessels must not include foreign citizens. However, SIMA can waive this prohibition for up to six months if duly certified Solomon Island citizens are unavailable. No such a waiver was granted during the review period.

4.126. Solomon Islands does not allow foreign flag vessels to conduct cabotage of cargo or passengers.

4.127. Regarding port activities, the Solomon Islands Port Authority (SIPA), a statutory body under the MID, owns and operates the ports of Honiara and Noro. It provides stevedoring and international cargo handling services at the international ports. SIPA is also in charge of setting charges at these ports. The applicable rates are specified in the Levy of Rates and Dues (Ports of Honiara and Noro) Rules; rates on foreign ships are generally higher than on local ships. The rates did not change during the review period. Wharfs and jetties are mostly owned by provincial governments under the supervision of MID.

4.128. Private participation in port operations is not restricted. The authorities note that port activities such as towage, waste disposal, and billage are provided by private sector; all port businesses need to be licensed. They also note that towage providers need to be registered as Solomon Islands vessels. Foreign companies only need to register as a company established in Solomon Islands to provide port businesses.

4.4.4 Tourism

4.129. Tourism is recognized in the National Development Strategy as one of the potential sources of economic growth. In 2019, tourism contributed 5.1% of GDP and less than 1% of the country's

employment. In the same year, tourism receipts totalled USD 78 million, and spending per person was USD 1,411.[51]

4.130. The Ministry of Culture and Tourism is the lead agency responsible for tourism planning and development. Its responsibilities include tourism policy and regulation, tourism training, and product development.

4.131. The legislative framework did not change during the review period. The Solomon Islands Visitors Bureau Act 1996 continues to regulate the industry, with Tourism Solomons as the regulatory body. It is responsible for marketing Solomon Islands as a tourism destination and issues licences for tourist facilities. Licences to nationals or foreigners are granted on a case-by-case basis. Tourism Solomons is primarily funded by a levy of 10% per room for accommodation operators, and unit levies on tour and dive operators. This is supplemented by an allocation of annual government funds.

4.132. Solomon Islands National Tourism Policy 2015-2019, the main strategic document in the industry, was developed with support from the EIF. Its aim was to transform the country into a major tourist destination. It recognized the central role of transport and infrastructure development in tourism promotion. It also emphasized the importance of marketing and research, product development and investment, human resources, and the role of cruise ships and yachts in the specific case of Solomon Islands. The authorities note that in 2017, with support from the EIF, the country established minimum standards and a classification scale for tourism accommodation.

4.133. The Tourism Solomons Strategy and Recovery Plan, launched in 2020 for the period 2021-23, sought to revitalize the tourism sector in response to COVID-19. It also sought to elevate health and hygiene standards for tourism operators via the Government's COVID-19 "Extra Care" programme. The Solomon Islands Tourism Recovery Plan 2021-2030 is the current strategic vision, aiming for 100,000 visitor arrivals by 2035, focusing on enhanced digital marketing, promoting domestic tourism, and creating additional revenue streams for Tourism Solomons.

4.134. In 2019, the country had approximately 259 hotels and guest houses. Honiara hosts some 7 large foreign-owned hotels, each with 75 to 100 rooms, complemented by smaller, locally owned guest houses. The average occupancy rate for mid- to upper-end accommodation is relatively high, at 70% to 80%.[52]

4.135. In 2017, a tourism investment incentives package was introduced, offering a range of tax and non-tax benefits for investments that meet specified minimum requirements.[53] The plan provides eligible investors with various advantages, including tax holidays, import duty exemptions on select imported equipment, investment allowances, and favourable regulations for electricity self-supply. Under the incentive package, investors in the aviation industry may qualify for duty exemptions and investment allowances. This is due to the significant challenges posed by domestic travel within Solomon Islands, which consequently restricts tourist visits to the outer islands.

4.136. Lack of access to finance is a challenge for tourism operators in Solomon Islands. According to the Pacific Private Sector Development Initiative, banks consider tourism a high-risk sector and impose stringent loan conditions, resulting in few qualified applicants.[54]

4.137. The Solomon Islands Tourism Infrastructure Development Fund (SITIDF), designed by Solomon Airlines in 2017, provides lending to new tourism developments at a low interest rate for the first two years. Additionally, in May 2021, the Ministry of Culture and Tourism and the Development Bank of Solomon Islands (DBSI) signed a SBD 2 million grant agreement for a tourism support fund to provide low-interest rates on loans to tourism operators (Sections 3.3.1.2).

[51] Pacific Private Sector Development Initiative (2021), *Solomon Islands: Pacific Tourism Sector Snapshot*. Viewed at: https://www.pacificpsdi.org/assets/Uploads/PSDI-TourismSnapshot-SOL.pdf.

[52] Pacific Private Sector Development Initiative (2021), *Solomon Islands: Pacific Tourism Sector Snapshot*.

[53] Ministry of Culture and Tourism (n.d.), *Tourism Investment Incentives Package 2017*. Viewed at: https://tourismsolomons.com/wp-content/uploads/2018/11/TourismIncentivesPackage.pdf.

[54] Pacific Private Sector Development Initiative (2021), *Solomon Islands: Pacific Tourism Sector Snapshot*.

5 APPENDIX TABLES

Table A1.1 Merchandise exports by destination, 2016-22

	2016	2017	2018	2019	2020	2021	2022
Total exports (USD million)	436.6	498.9	569.8	470.2	391.5	366.7	329.9
	(% of total exports)						
Americas	0.4	0.7	0.5	1.2	0.9	1.3	0.2
United States	0.4	0.7	0.5	1.1	0.8	1.3	0.2
Other – Americas	0.0	0.0	0.0	0.1	0.2	0.0	0.0
Europe	15.7	15.7	13.0	14.1	18.3	22.7	29.5
EU-27	8.0	11.1	9.5	10.1	13.5	16.2	23.7
Italy	7.0	7.7	7.2	7.4	7.9	8.5	9.9
Netherlands	0.7	3.0	1.9	1.9	4.2	5.4	9.2
Spain	0.2	0.2	0.3	0.7	1.2	2.0	4.6
EFTA	3.3	3.9	2.4	2.6	3.8	3.0	1.5
Switzerland	3.3	3.9	2.4	2.6	3.8	3.0	1.5
Other – Europe	4.4	0.7	1.1	1.4	1.0	3.5	4.3
United Kingdom	4.4	0.7	1.1	1.4	1.0	3.5	4.3
Commonwealth of Independent States (CIS)[a]	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Middle East	0.1	0.0	0.0	0.0	0.0	0.0	0.2
Asia	83.7	83.5	86.4	84.7	80.7	75.9	70.1
China	62.5	65.2	66.8	63.0	63.1	50.3	41.4
Japan	0.7	0.4	0.2	0.1	0.1	0.0	0.2
Other – Asia	20.5	17.9	19.4	21.5	17.5	25.6	28.6
Hong Kong, China	1.4	1.3	1.4	1.8	0.3	5.1	8.1
Australia	1.2	0.8	0.9	1.4	1.3	3.0	5.1
India	3.9	3.6	5.1	3.8	3.6	2.6	4.1
Korea, Republic of	0.8	0.8	0.8	1.3	1.7	2.5	2.6
New Zealand	0.5	0.5	0.8	0.9	1.1	1.8	1.8
Philippines	3.7	3.5	1.9	1.3	1.2	2.5	1.3
Malaysia	2.9	1.5	1.5	1.8	1.8	2.2	1.2
Chinese Taipei	1.5	1.5	2.0	1.4	1.6	0.7	0.8
Vanuatu	0.3	0.4	0.3	0.4	0.5	0.4	0.5
Singapore	0.2	0.6	0.9	0.4	0.5	0.8	0.5
Thailand	0.8	1.3	2.1	2.6	0.6	0.9	0.5
Indonesia	0.5	0.1	0.0	0.1	0.1	0.4	0.4
Papua New Guinea	0.2	0.4	0.3	0.2	0.2	0.1	0.4
Nauru	0.1	0.1	0.1	0.6	0.3	1.0	0.4

a Commonwealth of Indepedent States, including certain associate and former member States.

Source: WTO Secretariat calculations, based on data provided by the authorities and UN Comtrade database (2016 figures).

Table A1. 2 Merchandise imports by origin, 2016-22

	2016	2017	2018	2019	2020	2021	2022
Total imports (USD million)	454.4	570.8	600.9	551.6	391.7	516.6	599.8
	(% of total imports)						
Americas	1.8	1.6	1.9	2.7	1.2	2.3	1.1
United States	1.4	1.5	1.7	2.4	1.0	2.2	1.0
Other – Americas	0.4	0.1	0.2	0.2	0.2	0.1	0.1
Europe	1.4	1.1	1.3	3.8	2.0	0.9	1.4
EU-27	1.0	0.9	0.8	3.6	1.8	0.7	1.3
Netherlands	0.2	0.2	0.1	0.2	0.3	0.1	0.4
Denmark	0.1	0.1	0.2	0.3	0.0	0.1	0.3
Germany	0.4	0.2	0.1	0.1	0.1	0.1	0.2
Sweden	0.1	0.1	0.1	0.2	0.1	0.1	0.2
EFTA	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Other – Europe	0.3	0.2	0.5	0.2	0.1	0.2	0.1
Commonwealth of Independent States (CIS)[a]	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Africa	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Middle East	0.1	0.1	0.0	0.0	0.2	0.5	0.4
United Arab Emirates	0.1	0.0	0.0	0.0	0.1	0.5	0.4
Asia	96.6	97.1	96.7	93.5	96.7	96.2	97.0
China	14.8	12.6	14.9	13.3	19.4	25.2	25.2
Japan	6.7	4.1	4.4	3.9	4.6	4.3	3.2
Other – Asia	75.0	80.5	77.4	76.3	72.7	66.7	68.6
Singapore	15.5	13.8	16.3	18.2	8.9	15.1	22.5
Australia	20.4	19.9	18.2	18.6	21.4	15.9	12.5
Malaysia	10.5	12.7	12.9	8.2	5.9	6.1	5.8
Chinese Taipei	0.7	2.5	7.2	6.0	3.8	3.0	5.0
Viet Nam	6.5	5.9	4.5	6.4	8.0	3.8	3.4
New Zealand	5.3	13.2	4.3	4.1	4.9	3.8	3.4
Indonesia	3.0	3.7	3.0	3.0	4.0	4.0	3.3
Hong Kong, China	2.6	2.8	2.4	2.6	2.9	5.1	2.9
Thailand	1.7	0.0	2.1	2.1	2.6	3.2	2.7
Papua New Guinea	2.6	2.1	1.9	1.9	2.4	1.5	2.1
Fiji	2.9	2.3	2.4	2.5	3.1	2.1	2.1
Korea, Republic of	0.8	0.5	0.6	1.1	2.9	1.7	1.6
Philippines	0.3	0.2	0.4	0.4	0.7	0.6	0.6
India	1.6	0.2	0.3	0.7	0.5	0.3	0.5
Bangladesh	0.0	0.0	0.1	0.1	0.3	0.2	0.1

a Commonwealth of Indepedent States, including certain associate and former member States.

Source: WTO Secretariat calculations, based on data provided by the authorities and UN Comtrade database (2016 figures).

Table A1. 3 Merchandise exports by HS section and major HS chapter/heading, 2016-22

HS section/chapter/heading	2016	2017	2018	2019	2020	2021	2022
Total exports (USD million)	436.6	498.9	569.8	470.2	391.5	366.7	329.9
	(% of total exports)						
01 Live animals and products	8.5	10.3	8.3	10.7	9.0	12.7	15.8
03 Fish and crustaceans, molluscs, and other aquatic invertebrates	8.4	10.2	8.2	10.6	8.8	12.5	15.6
0305.4 Smoked fish, including fillets	..	2.5	5.9	6.9	7.7	10.8	14.5
02 Vegetable products	2.7	3.0	1.3	0.4	1.0	3.4	2.1
03 Fats and oils	8.6	7.9	5.7	6.0	10.0	13.0	15.4
1511 Palm oil	5.9	5.3	4.0	4.4	7.2	9.8	11.0
04 Prepared food, beverages, and tobacco	4.3	2.4	5.0	4.9	4.7	3.9	3.4
05 Mineral products	0.2	4.2	3.7	3.6	4.5	0.0	0.1
06 Chemicals and products thereof	0.0	0.0	0.0	0.0	0.0	0.1	0.2
07 Plastics and rubber	0.0	0.0	0.0	0.1	0.0	0.0	0.0
08 Raw hides and skins; leather, furskins and articles thereof	0.0	0.0	0.0	0.0	0.0	0.0	0.0
09 Wood, cork, straw	73.6	70.7	75.0	71.9	69.6	60.7	52.4
44 Wood and articles of wood	73.6	70.7	75.0	71.9	69.6	60.7	52.4
4403 Wood in the rough	66.2	64.4	71.6	66.8	60.8	51.9	47.4
10 Pulp of wood; paper and paperboard	0.0	0.0	0.0	0.0	0.1	0.1	0.1
11 Textiles and textile articles	0.0	0.0	0.0	0.0	0.2	0.0	0.0
12 Footwear, headgear, etc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13 Articles of stone, plaster, cement	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14 Precious stones and metals	0.5	0.7	0.6	0.8	0.3	4.6	9.6
7108 Gold, unwrought, in semi-manufactured or in powder form	0.5	0.7	0.5	0.8	0.3	4.6	9.6
15 Base metals and articles thereof	0.1	0.1	0.1	0.4	0.2	0.2	0.2
16 Machinery, electrical equipment	1.0	0.5	0.2	0.4	0.1	0.4	0.4
17 Transport equipment	0.3	0.1	0.0	0.4	0.0	0.8	0.4
18 Precision equipment	0.1	0.1	0.0	0.2	0.3	0.0	0.1
19 Arms and ammunition	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20 Miscellaneous manufactured articles	0.0	0.0	0.0	0.0	0.0	0.1	0.0
21 Works of art, etc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: WTO Secretariat calculations, based on data provided by the authorities and UN Comtrade database (2016 figures).

Table A1. 4 Merchandise imports by HS section and major HS chapter/heading, 2016-22

HS section/chapter/heading	2016	2017	2018	2019	2020	2021	2022
Total imports (USD million)	454.4	570.8	600.9	551.6	391.7	516.6	599.8
	(% of total imports)						
01 Live animals and products	3.5	3.1	3.5	3.0	4.9	3.7	3.2
02 Meat and edible meat offal	2.7	2.4	2.8	2.2	3.1	2.7	2.1
02 Vegetable products	10.7	9.4	9.5	11.1	15.8	6.0	6.0
10 Cereals	8.9	8.0	8.1	9.6	13.8	4.5	5.0
03 Fats and oils	0.7	0.8	0.7	0.8	1.4	1.1	1.6
04 Prepared food, beverages and tobacco	9.3	11.3	8.6	8.3	11.3	10.7	8.5
19 Preparations of cereals, flour, starch, or milk	3.0	2.4	2.7	2.7	4.2	3.1	2.6
05 Mineral products	17.0	15.0	17.8	23.9	13.2	18.4	28.3
27 Mineral fuels, oils, distillation products, etc.	16.1	14.0	16.9	22.9	11.9	16.9	26.7
2710 Petroleum oils and oils from bituminous minerals, not crude	14.7	13.2	15.6	21.9	10.7	15.5	24.9
06 Chemicals and products thereof	5.8	4.1	4.0	4.5	5.4	4.7	5.7
07 Plastics and rubber	3.8	3.2	3.6	3.6	4.1	4.3	4.8
39 Plastics and articles thereof	2.6	2.2	2.4	2.6	3.1	3.2	3.9
08 Raw hides and skins; leather, furskins and articles thereof	0.2	0.2	0.1	0.2	0.1	0.2	0.1
09 Wood, cork, straw	0.8	0.7	0.6	0.6	0.8	0.7	0.6
10 Pulp of wood; paper and paperboard	3.8	2.7	3.0	3.4	2.9	1.5	1.7
11 Textiles and textile articles	2.5	2.4	2.0	2.3	2.3	2.2	1.6
12 Footwear, headgear, etc.	0.6	0.5	0.4	0.4	0.4	0.5	0.5
13 Articles of stone, plaster, cement	0.8	0.7	0.7	0.7	0.8	0.8	0.8
14 Precious stones and metals, pearls	0.3	0.01	0.01	0.01	0.01	0.02	0.02
15 Base metals and articles thereof	9.6	8.2	8.9	8.2	10.0	12.6	12.4
72 Iron and steel	2.9	2.3	2.1	1.5	2.4	3.4	4.6
73 Articles of iron or steel	3.9	3.5	4.3	3.5	4.3	5.9	5.3
16 Machinery, electrical equipment	19.2	27.5	19.7	17.2	15.9	19.9	14.8
84 Machinery and mechanical appliances, parts thereof	12.0	12.9	14.5	10.1	9.8	12.1	9.6
85 Electrical machineries and parts thereof	7.3	14.6	5.2	7.1	6.1	7.8	5.2
17 Transport equipment	9.4	7.6	15.1	6.8	6.8	8.4	6.5
87 Vehicles other than railways, tramways	7.8	6.3	7.6	6.0	6.3	6.2	6.0
18 Precision equipment	0.8	1.1	0.6	3.4	1.4	1.2	1.0
19 Arms and ammunition	0.9	0.0	0.0	0.0	0.1	0.0	0.0
20 Miscellaneous manufactured articles	0.4	1.4	1.1	1.6	2.2	3.2	1.8
21 Works of art, collectors' pieces, and antiques	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: WTO Secretariat calculations, based on data provided by the authorities and UN Comtrade database.

Table A3.1 Non-*ad valorem* rates and corresponding AVEs, 2024

HS code	Non-*ad valorem* rate	Description	AVE (%)
10061000	SBD 0.20/kg	Rice	2.4
10063010	SBD 0.20/kg	Rice	3.2
10063020	SBD 0.20/kg	Rice	4.0
10064000	SBD 0.20/kg	Rice	3.2
17011200	SBD 1.00/kg	Sugars and sugar confectionery	20.4
17011300	SBD 1.00/kg	Sugars and sugar confectionery	11.6
17011410	SBD 1.00/kg	Sugars and sugar confectionery	17.3
17011420	SBD 1.00/kg	Sugars and sugar confectionery	17.3
17011490	SBD 1.00/kg	Sugars and sugar confectionery	17.3
17019100	SBD 1.00/kg	Sugars and sugar confectionery	5.9
17019900	SBD 1.00/kg	Sugars and sugar confectionery	19.5
17021100	SBD 1.00/kg	Sugars and sugar confectionery	7.8
17021900	SBD 1.00/kg	Sugars and sugar confectionery	5.2
17022000	SBD 1.00/kg	Sugars and sugar confectionery	3.9
17023000	SBD 1.00/kg	Sugars and sugar confectionery	21.2
17024000	SBD 1.00/kg	Sugars and sugar confectionery	13.4
17025000	SBD 1.00/kg	Sugars and sugar confectionery	11.4
17026000	SBD 1.00/kg	Sugars and sugar confectionery	8.3
17029000	SBD 1.00/kg	Sugars and sugar confectionery	14.8
17031000	SBD 1.00/kg	Sugars and sugar confectionery	53.9
17039000	SBD 1.00/kg	Sugars and sugar confectionery	23.4
17041000	SBD 1.00/kg	Sugars and sugar confectionery	2.7
17049000	SBD 1.00/kg	Sugars and sugar confectionery	3.9
21069031	SBD 136.62/litre	Alcohol preparations used in the manufacture of alcoholic beverages	451.2
22021000	SBD 2.00/litre	Waters, with added sugar	22.3
22029900	SBD 2.00/litre	Non-alcoholic beverages	21.2
22030010	SBD 9.75/litre	Beer made from malt	70.8
22030020	SBD 19.48/litre	Beer made from malt	141.4
22030030	SBD 24.53/litre	Beer made from malt	178.1
22030090	SBD 150.28/litre	Beer made from malt	1000.0
22041010	SBD 9.75/litre	Sparkling wine	17.3
22041020	SBD 19.48/litre	Sparkling wine	34.6
22041030	SBD 24.53/litre	Sparkling wine	43.6
22041040	SBD 150.28/litre	Sparkling wine	267.2
22042110	SBD 9.75/litre	Wine	22.9
22042120	SBD 19.48/litre	Wine	45.8
22042130	SBD 24.53/litre	Wine	57.6
22042140	SBD 150.28/litre	Wine	353.0
22042210	SBD 9.75/litre	Wine	13.5
22042220	SBD 19.48/litre	Wine	27.0
22042230	SBD 24.53/litre	Wine	34.0
22042240	SBD 150.28/litre	Wine	208.6
22042910	SBD 9.75/litre	Wine	12.9
22042920	SBD 19.48/litre	Wine	25.7
22042930	SBD 24.53/litre	Wine	32.3
22042940	SBD 150.28/litre	Wine	198.2
22043010	SBD 9.75/litre	Grape must	39.4
22043020	SBD 19.48/litre	Grape must	78.8
22043030	SBD 24.53/litre	Grape must	99.2
22043040	SBD 150.28/litre	Grape must	608.0
22051010	SBD 9.75/litre	Vermouth and other wine	41.0
22051020	SBD 19.48/litre	Vermouth and other wine	81.9
22051030	SBD 24.53/litre	Vermouth and other wine	103.1
22051040	SBD 150.28/litre	Vermouth and other wine	631.5
22059010	SBD 9.75/litre	Vermouth and other wine	71.9
22059020	SBD 19.48/litre	Vermouth and other wine	143.7
22059030	SBD 24.53/litre	Vermouth and other wine	181.0
22059040	SBD 150.28/litre	Vermouth and other wine	1000.0
22060010	SBD 9.75/litre	Cider, perry, mead, saké and other fermented beverages	51.0
22060020	SBD 19.48/litre	Cider, perry, mead, saké and other fermented beverages	101.8
22060030	SBD 24.53/litre	Cider, perry, mead, saké and other fermented beverages	128.2
22060040	SBD 150.28/litre	Cider, perry, mead, saké and other fermented beverages	785.3
22071000	SBD 150.28/litre	Undenatured ethyl alcohol	1000.0
22072000	SBD 2.22/litre	Denatured ethyl alcohol and other spirits of any strength	17.9
22082010	SBD 9.75/litre	Spirits obtained by distilling grape wine or grape marc	5.2
22082020	SBD 19.48/litre	Spirits obtained by distilling grape wine or grape marc	10.4
22082030	SBD 24.53/litre	Spirits obtained by distilling grape wine or grape marc	13.0
22082040	SBD 150.28/litre	Spirits obtained by distilling grape wine or grape marc	79.9
22083010	SBD 9.75/litre	Whiskies	8.2
22083020	SBD 19.48/litre	Whiskies	16.4
22083030	SBD 24.53/litre	Whiskies	20.6
22083040	SBD 150.28/litre	Whiskies	126.3
22084010	SBD 9.75/litre	Rum and other spirits obtained by distilling fermented sugar-cane products	14.1
22084020	SBD 19.48/litre	Rum and other spirits obtained by distilling fermented sugar-cane products	28.1

HS code	Non-*ad valorem* rate	Description	AVE (%)
22084030	SBD 24.53/litre	Rum and other spirits obtained by distilling fermented sugar-cane products	35.4
22084040	SBD 150.28/litre	Rum and other spirits obtained by distilling fermented sugar-cane products	216.9
22085010	SBD 9.75/litre	Gin and Geneva	10.1
22085020	SBD 19.48/litre	Gin and Geneva	20.1
22085030	SBD 24.53/litre	Gin and Geneva	25.4
22085040	SBD 150.28/litre	Gin and Geneva	155.4
22086010	SBD 9.75/litre	Vodka	14.5
22086020	SBD 19.48/litre	Vodka	29.0
22086030	SBD 24.53/litre	Vodka	36.5
22086040	SBD 150.28/litre	Vodka	223.7
22087010	SBD 9.75 /litre	Liqueurs and cordials	10.3
22087020	SBD 19.48/litre	Liqueurs and cordials	20.7
22087030	SBD 24.53/litre	Liqueurs and cordials	26.0
22087040	SBD 150.28/litre	Liqueurs and cordials	159.4
22089010	SBD 9.75 /litre	Ethyl alcohols	8.0
22089020	SBD 19.48/litre	Ethyl alcohols	16.0
22089030	SBD 24.53/litre	Ethyl alcohols	20.1
22089040	SBD 150.28/litre	Ethyl alcohols	123.3
24011000	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24012000	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24013000	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24021000	SBD 2,558.823/kg	Tobacco and tobacco products	41.8
24022010	SBD 2.171 per stick	Tobacco and tobacco products	1000.0
24022020	SBD 2.171 per stick	Tobacco and tobacco products	1000.0
24029010	SBD 2.171 per stick	Tobacco and tobacco products	1000.0
24029090	SBD 2.171 per stick	Tobacco and tobacco products	1000.0
24031100	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24031910	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24031920	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24031930	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24031940	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24031990	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24039100	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24039910	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24039920	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24039930	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24039940	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24039990	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24041100	SBD 1,157.842/kg	Tobacco and tobacco products	..
24041200	SBD 1,157.842/kg	Tobacco and tobacco products	..
24041900	SBD 1,157.842/kg	Tobacco and tobacco products	..
24049100	SBD 1,157.842/kg	Tobacco and tobacco products	..
24049200	SBD 1,157.842/kg	Tobacco and tobacco products	..
24049900	SBD 1,157.842/kg	Tobacco and tobacco products	..
27090000	SBD 0.02 per litre	Crude petroleum oils	0.1
27101211	SBD 0.50/litre	Petroleum oils other than crude	10.6
27101212	SBD 0.50/litre	Petroleum oils other than crude	10.6
27101220	SBD 0.50/litre	Petroleum oils other than crude	10.6
27101230	SBD 0.20/litre	Petroleum oils other than crude	4.2
27101911	SBD 0.50/litre	Petroleum oils other than crude	2.8
27101912	SBD 0.50/litre	Petroleum oils other than crude	2.8
27101919	SBD 0.50/litre	Petroleum oils other than crude	2.8
27101920	SBD 0.03/litre	Petroleum oils other than crude	0.2
27101931	SBD 0.03/litre	Petroleum oils other than crude	0.2
27101932	SBD 0.03/litre	Petroleum oils other than crude	0.2
27101933	SBD 0.20/litre	Petroleum oils other than crude	1.1
27101939	SBD 0.20/litre	Petroleum oils other than crude	1.1
27111100	SBD 0.30/kg	Petroleum gases and other gaseous hydrocarbons	8.5
27111200	SBD 0.30/kg	Petroleum gases and other gaseous hydrocarbons	5.3
27111300	SBD 0.30/kg	Petroleum gases and other gaseous hydrocarbons	4.3
27111400	SBD 0.30/kg	Petroleum gases and other gaseous hydrocarbons	3.3
27111900	SBD 0.30/kg	Petroleum gases and other gaseous hydrocarbons	6.1
27112100	SBD 0.30/kg	Petroleum gases and other gaseous hydrocarbons	10.9
27112900	SBD 0.30/kg	Petroleum gases and other gaseous hydrocarbons	0.5
33021010	SBD 136.62/litre	Odoriferous substances, for the manufacture of alcoholic beverages	181.4
33021020	SBD 136.62/litre	Odoriferous substances, for the manufacture of alcoholic beverages	181.4
36010000	SBD 0.12/kg	Propellent powders	0.1
36020000	SBD 0.12/kg	Other prepared explosives	0.1
37061000	SBD 0.24/30 m	Cinematographic film	0.0
37069000	SBD 0.36/30 m	Cinematographic film	0.0
39031100	SBD 1.90/kg	Expansible polystyrene	14.4
39151000	SBD 1.90/kg	Waste, parings and scrap of plastics	61.0
39152000	SBD 1.90/kg	Waste, parings and scrap of plastics	41.1
39159000	SBD 1.90/kg	Waste, parings and scrap of plastics	50.3
39181000	SBD 1.90/kg	Floor coverings of plastics	15.3
39189000	SBD 1.90/kg	Floor coverings of plastics	12.6

HS code	Non-*ad valorem* rate	Description	AVE (%)
39201010	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	7.2
39201020	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	7.2
39201090	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	7.2
39202010	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	7.4
39202090	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	7.4
39203000	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	5.3
39204310	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	6.3
39204390	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	6.3
39204900	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	7.2
39211110	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	7.7
39211190	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	7.7
39211210	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	6.2
39211290	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	6.2
39211900	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	4.4
39219090	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	5.9
39231010	SBD 1.90/kg	Plastic articles for the packing of goods	5.8
39231090	SBD 1.90/kg	Plastic articles for the packing of goods	5.8
39232100	SBD 1.90/kg	Plastic articles for the packing of goods	5.1
39232900	SBD 1.90/kg	Plastic articles for the packing of goods	4.7
39233000	SBD 1.90/kg	Plastic articles for the packing of goods	4.5
39234000	SBD 1.90/kg	Plastic articles for the packing of goods	4.7
39235000	SBD 1.90/kg	Plastic articles for the packing of goods	4.0
39239090	SBD 1.90/kg	Plastic articles for the packing of goods	6.0
39241000	SBD 1.90/kg	Tableware, kitchenware articles of plastics	6.1
39249010	SBD 1.90/kg	Tableware, kitchenware articles of plastics	4.9
39249090	SBD 1.90/kg	Tableware, kitchenware articles of plastics	4.9
85232920	SBD 20 each	Video tapes	7.8

.. Not available.

Note: AVEs at 1,000% are "maximized", meaning they could be higher.

Source: WTO Secretariat calculations, based on data provided by the authorities and UN International Trade Centre, Market Access Map.

Table A3. 2 Non-*ad valorem* rates and corresponding AVEs, 2024

HS code	Non-*ad valorem* rate	Description	AVE (%)
10061000	SBD 0.20/kg	Rice	2.4
10063010	SBD 0.20/kg	Rice	3.2
10063020	SBD 0.20/kg	Rice	4.0
10064000	SBD 0.20/kg	Rice	3.2
17011200	SBD 1.00/kg	Sugars and sugar confectionery	20.4
17011300	SBD 1.00/kg	Sugars and sugar confectionery	11.6
17011410	SBD 1.00/kg	Sugars and sugar confectionery	17.3
17011420	SBD 1.00/kg	Sugars and sugar confectionery	17.3
17011490	SBD 1.00/kg	Sugars and sugar confectionery	17.3
17019100	SBD 1.00/kg	Sugars and sugar confectionery	5.9
17019900	SBD 1.00/kg	Sugars and sugar confectionery	19.5
17021100	SBD 1.00/kg	Sugars and sugar confectionery	7.8
17021900	SBD 1.00/kg	Sugars and sugar confectionery	5.2
17022000	SBD 1.00/kg	Sugars and sugar confectionery	3.9
17023000	SBD 1.00/kg	Sugars and sugar confectionery	21.2
17024000	SBD 1.00/kg	Sugars and sugar confectionery	13.4
17025000	SBD 1.00/kg	Sugars and sugar confectionery	11.4
17026000	SBD 1.00/kg	Sugars and sugar confectionery	8.3
17029000	SBD 1.00/kg	Sugars and sugar confectionery	14.8
17031000	SBD 1.00/kg	Sugars and sugar confectionery	53.9
17039000	SBD 1.00/kg	Sugars and sugar confectionery	23.4
17041000	SBD 1.00/kg	Sugars and sugar confectionery	2.7
17049000	SBD 1.00/kg	Sugars and sugar confectionery	3.9
21069031	SBD 136.62/litre	Alcohol preparations used in the manufacture of alcoholic beverages	451.2
22021000	SBD 2.00/litre	Waters, with added sugar	22.3
22029900	SBD 2.00/litre	Non-alcoholic beverages	21.2
22030010	SBD 9.75/litre	Beer made from malt	70.8
22030020	SBD 19.48/litre	Beer made from malt	141.4
22030030	SBD 24.53/litre	Beer made from malt	178.1
22030090	SBD 150.28/litre	Beer made from malt	1000.0
22041010	SBD 9.75/litre	Sparkling wine	17.3
22041020	SBD 19.48/litre	Sparkling wine	34.6
22041030	SBD 24.53/litre	Sparkling wine	43.6
22041040	SBD 150.28/litre	Sparkling wine	267.2
22042110	SBD 9.75/litre	Wine	22.9
22042120	SBD 19.48/litre	Wine	45.8
22042130	SBD 24.53/litre	Wine	57.6
22042140	SBD 150.28/litre	Wine	353.0
22042210	SBD 9.75/litre	Wine	13.5
22042220	SBD 19.48/litre	Wine	27.0
22042230	SBD 24.53/litre	Wine	34.0
22042240	SBD 150.28/litre	Wine	208.6
22042910	SBD 9.75/litre	Wine	12.9
22042920	SBD 19.48/litre	Wine	25.7
22042930	SBD 24.53/litre	Wine	32.3
22042940	SBD 150.28/litre	Wine	198.2
22043010	SBD 9.75/litre	Grape must	39.4
22043020	SBD 19.48/litre	Grape must	78.8
22043030	SBD 24.53/litre	Grape must	99.2
22043040	SBD 150.28/litre	Grape must	608.0
22051010	SBD 9.75/litre	Vermouth and other wine	41.0
22051020	SBD 19.48/litre	Vermouth and other wine	81.9
22051030	SBD 24.53/litre	Vermouth and other wine	103.1
22051040	SBD 150.28/litre	Vermouth and other wine	631.5
22059010	SBD 9.75/litre	Vermouth and other wine	71.9
22059020	SBD 19.48/litre	Vermouth and other wine	143.7
22059030	SBD 24.53/litre	Vermouth and other wine	181.0
22059040	SBD 150.28/litre	Vermouth and other wine	1000.0
22060010	SBD 9.75/litre	Cider, perry, mead, saké and other fermented beverages	51.0
22060020	SBD 19.48/litre	Cider, perry, mead, saké and other fermented beverages	101.8
22060030	SBD 24.53/litre	Cider, perry, mead, saké and other fermented beverages	128.2
22060040	SBD 150.28/litre	Cider, perry, mead, saké and other fermented beverages	785.3
22071000	SBD 150.28/litre	Undenatured ethyl alcohol	1000.0
22072000	SBD 2.22/litre	Denatured ethyl alcohol and other spirits of any strength	17.9
22082010	SBD 9.75/litre	Spirits obtained by distilling grape wine or grape marc	5.2
22082020	SBD 19.48/litre	Spirits obtained by distilling grape wine or grape marc	10.4
22082030	SBD 24.53/litre	Spirits obtained by distilling grape wine or grape marc	13.0
22082040	SBD 150.28/litre	Spirits obtained by distilling grape wine or grape marc	79.9
22083010	SBD 9.75/litre	Whiskies	8.2
22083020	SBD 19.48/litre	Whiskies	16.4
22083030	SBD 24.53/litre	Whiskies	20.6
22083040	SBD 150.28/litre	Whiskies	126.3
22084010	SBD 9.75/litre	Rum and other spirits obtained by distilling fermented sugar-cane products	14.1
22084020	SBD 19.48/litre	Rum and other spirits obtained by distilling fermented sugar-cane products	28.1

HS code	Non-*ad valorem* rate	Description	AVE (%)
22084030	SBD 24.53/litre	Rum and other spirits obtained by distilling fermented sugar-cane products	35.4
22084040	SBD 150.28/litre	Rum and other spirits obtained by distilling fermented sugar-cane products	216.9
22085010	SBD 9.75/litre	Gin and Geneva	10.1
22085020	SBD 19.48/litre	Gin and Geneva	20.1
22085030	SBD 24.53/litre	Gin and Geneva	25.4
22085040	SBD 150.28/litre	Gin and Geneva	155.4
22086010	SBD 9.75/litre	Vodka	14.5
22086020	SBD 19.48/litre	Vodka	29.0
22086030	SBD 24.53/litre	Vodka	36.5
22086040	SBD 150.28/litre	Vodka	223.7
22087010	SBD 9.75/litre	Liqueurs and cordials	10.3
22087020	SBD 19.48/litre	Liqueurs and cordials	20.7
22087030	SBD 24.53/litre	Liqueurs and cordials	26.0
22087040	SBD 150.28/litre	Liqueurs and cordials	159.4
22089010	SBD 9.75/litre	Ethyl alcohols	8.0
22089020	SBD 19.48/litre	Ethyl alcohols	16.0
22089030	SBD 24.53/litre	Ethyl alcohols	20.1
22089040	SBD 150.28/litre	Ethyl alcohols	123.3
24011000	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24012000	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24013000	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24021000	SBD 2,558.823/kg	Tobacco and tobacco products	41.8
24022010	SBD 2.171 per stick	Tobacco and tobacco products	1000.0
24022020	SBD 2.171 per stick	Tobacco and tobacco products	1000.0
24029010	SBD 2.171 per stick	Tobacco and tobacco products	1000.0
24029090	SBD 2.171 per stick	Tobacco and tobacco products	1000.0
24031100	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24031910	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24031920	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24031930	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24031940	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24031990	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24039100	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24039910	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24039920	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24039930	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24039940	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24039990	SBD 2,558.823/kg	Tobacco and tobacco products	1000.0
24041100	SBD 1,157.842/kg	Tobacco and tobacco products	..
24041200	SBD 1,157.842/kg	Tobacco and tobacco products	..
24041900	SBD 1,157.842/kg	Tobacco and tobacco products	..
24049100	SBD 1,157.842/kg	Tobacco and tobacco products	..
24049200	SBD 1,157.842/kg	Tobacco and tobacco products	..
24049900	SBD 1,157.842/kg	Tobacco and tobacco products	..
27090000	SBD 0.02/litre	Crude petroleum oils	0.1
27101211	SBD 0.50/litre	Petroleum oils other than crude	10.6
27101212	SBD 0.50/litre	Petroleum oils other than crude	10.6
27101220	SBD 0.50/litre	Petroleum oils other than crude	10.6
27101230	SBD 0.20/litre	Petroleum oils other than crude	4.2
27101911	SBD 0.50/litre	Petroleum oils other than crude	2.8
27101912	SBD 0.50/litre	Petroleum oils other than crude	2.8
27101919	SBD 0.50/litre	Petroleum oils other than crude	2.8
27101920	SBD 0.03/litre	Petroleum oils other than crude	0.2
27101931	SBD 0.03/litre	Petroleum oils other than crude	0.2
27101932	SBD 0.03/litre	Petroleum oils other than crude	0.2
27101933	SBD 0.20/litre	Petroleum oils other than crude	1.1
27101939	SBD 0.20/litre	Petroleum oils other than crude	1.1
27111100	SBD 0.30/kg	Petroleum gases and other gaseous hydrocarbons	8.5
27111200	SBD 0.30/kg	Petroleum gases and other gaseous hydrocarbons	5.3
27111300	SBD 0.30/kg	Petroleum gases and other gaseous hydrocarbons	4.3
27111400	SBD 0.30/kg	Petroleum gases and other gaseous hydrocarbons	3.3
27111900	SBD 0.30/kg	Petroleum gases and other gaseous hydrocarbons	6.1
27112100	SBD 0.30/kg	Petroleum gases and other gaseous hydrocarbons	10.9
27112900	SBD 0.30/kg	Petroleum gases and other gaseous hydrocarbons	0.5
33021010	SBD 136.62/litre	Odoriferous substances, for the manufacture of alcoholic beverages	181.4
33021020	SBD 136.62/litre	Odoriferous substances, for the manufacture of alcoholic beverages	181.4
36010000	SBD 0.12/kg	Propellent powders	0.1
36020000	SBD 0.12/kg	Other prepared explosives	0.1
37061000	SBD 0.24/30 m	Cinematographic film	0.0
37069000	SBD 0.36/30 m	Cinematographic film	0.0
39031100	SBD 1.90/kg	Expansible polystyrene	14.4
39151000	SBD 1.90/kg	Waste, parings and scrap of plastics	61.0
39152000	SBD 1.90/kg	Waste, parings and scrap of plastics	41.1
39159000	SBD 1.90/kg	Waste, parings and scrap of plastics	50.3
39181000	SBD 1.90/kg	Floor coverings of plastics	15.3
39189000	SBD 1.90/kg	Floor coverings of plastics	12.6

HS code	Non-*ad valorem* rate	Description	AVE (%)
39201010	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	7.2
39201020	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	7.2
39201090	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	7.2
39202010	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	7.4
39202090	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	7.4
39203000	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	5.3
39204310	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	6.3
39204390	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	6.3
39204900	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	7.2
39211110	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	7.7
39211190	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	7.7
39211210	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	6.2
39211290	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	6.2
39211900	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	4.4
39219090	SBD 1.90/kg	Plates, sheets, film, foil and strip of plastics	5.9
39231010	SBD 1.90/kg	Plastic articles for the packing of goods	5.8
39231090	SBD 1.90/kg	Plastic articles for the packing of goods	5.8
39232100	SBD 1.90/kg	Plastic articles for the packing of goods	5.1
39232900	SBD 1.90/kg	Plastic articles for the packing of goods	4.7
39233000	SBD 1.90/kg	Plastic articles for the packing of goods	4.5
39234000	SBD 1.90/kg	Plastic articles for the packing of goods	4.7
39235000	SBD 1.90/kg	Plastic articles for the packing of goods	4.0
39239090	SBD 1.90/kg	Plastic articles for the packing of goods	6.0
39241000	SBD 1.90/kg	Tableware, kitchenware articles of plastics	6.1
39249010	SBD 1.90/kg	Tableware, kitchenware articles of plastics	4.9
39249090	SBD 1.90/kg	Tableware, kitchenware articles of plastics	4.9
85232920	SBD 20 each	Video tapes	7.8

.. Not available.

Note: AVEs at 1,000% are "maximized", meaning they could be higher.

Source: WTO Secretariat calculations, based on data provided by the authorities and UN International Trade Centre, Market Access Map.