

PRIVATE SECTOR DIALOGUE WITH THE PACIFIC ISLANDS FORUM LEADERS

9 September 2016

*Statement delivered by Redley Kilon and Howard Politini,
at the Plenary session of the Pacific Islands Forum Leaders Meeting
in Pohnpei, Federated States of Micronesia (FSM)*

<<Redley Kilon, President of the FSM Association of Chambers of Commerce>>

President Christian, Distinguished Leaders of the Pacific Islands Forum, Secretary General Dame Meg Taylor, Governor Jackson, Ladies and Gentlemen.

On behalf of the Private Sector of the Federated States of Micronesia, and the Private Sector of the Pacific region, we join President Christian and our other government and traditional leaders in extending to you a very warm *Kaselehli*, and welcome to FSM, particularly to Pohnpei, the seat of our nation's capital.

Our Private Sector acknowledges the opportunity provided by you, our Leaders, for this Dialogue to discuss issues that we feel constrain private sector development in our region.

The theme for this year's Leaders meeting "Small and Far: Challenges for Growth" appropriately reflects the state of Private Sector in this region.

The Federated States of Micronesia, comprising of four distinct States widely spread out geographically, is a living example of such challenges, particularly in ICT connectivity and transportation.

However, we are encouraged by major improvements recently in economic activities due to additional air services connecting some of our FSM states, as well as connecting to other parts of the Pacific. We believe that the Private Sector Dialogue processes over the years, like this one, has certainly played a part in this positive development.

The Private Sector has been widely recognised an essential driver for the much needed economic growth in this region, which warrants the Leaders' support for innovative approaches to promoting a balanced and inclusive model for sustainable growth.

After much deliberation amongst the regional Private Sector representatives, some of whom are here with us, important priority solutions are being proposed for Leaders' consideration.

The key issues hindering private sector development at this moment that require Leaders' attention includes **Improvements in Business Processes**; and **Mobility for Businesses** that allows all our businesses to grow, whether small, medium or large.

I would now invite the Chair of the Pacific Islands Private Sector Organisations (PIPSO), Mr Howard Politini, to present the priority solutions on which we welcome Leaders' views, so that we can have a dialogue on how best these concerns can be addressed.

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<<Howard Politini, Chairman of Pacific Islands Private Sector Organisation>>

Chairman President Christian, Honourable Leaders. All Protocols observed. Greetings. I wish to also record my appreciation first to our hosts, the Government and the people of the FSM for their welcome and hospitality that has been prominent everywhere.

It is my privilege to represent the Pacific Islands Private Sector and share with you our current concerns and challenges, and propose possible solutions. In my professional life as the representative of the Bank of the South Pacific, I witness the daily challenges that private sector face in this region and I wish to associate myself with the issues being raised. In our humble view, there is an urgent need for improvements in business processes and mobility. I thank you for this opportunity for this Dialogue. Let me articulate these challenges and solutions, with the visual aids on the screen.

Improvements in Business Processes

We are seeking reduction in regulatory barriers to trade and investment within the region for improved regional integration and reduced costs of transactions. The Private Sector requests that all **Members implement the trade and investment agreements** that are in place to support cross-border trade amongst Forum Countries as a matter of urgency, including PACER Plus when concluded. Agreements once concluded must be given opportunity to work and be improved as they operate.

Private Sector recognises that infrastructure investments must be a high priority. In particular, Information, Communications and Technology (ICT) solutions are key tools for Pacific business development. Leaders are requested to support continued **prioritisation of ICT infrastructure and solutions** with the long terms perspective in mind.

Bureaucracy and lengthy processing times are stifling private sector innovation. Harmonisation of core business rules and regulations are necessary to assist in the ease of doing business in the Pacific. The Private Sector requests Leaders to consider **harmonising investment rules and key business procedures** across the region. Leaders' commitment is sought for this ambitious initiative. A feasibility assessment should be undertaken to determine which specific processes could take a regional dimension.

Mobility for Business Development

People to people, and business to business cooperation is essential if the businesses in the region are to grow. It is critical that our smaller nations have access to skilled labour from our Pacific neighbours. We urge that Leaders consider **freer movement of labour** within the Pacific region to help build our businesses. Such a facility could also cover emergencies, disaster relief and recovery personnel.

It is of paramount importance that business owners are able to travel freely within the region to manage and grow their businesses. The Private Sector proposes that the Leaders consider **implementing a Forum wide Pacific Business Travel Card** that allows for businesspersons easier access across Pacific borders.

The Private Sector is also calling for a paradigm shift in the region's thinking towards deliberate strategic policy efforts to **respond to the labour market opportunities in the international market**. It is time to improve and expand existing programmes to

build on the comparative advantages that many of the Pacific islands have in professions such as seafarers, caregivers, security, sports, etc.

Conclusion

The Private Sector further urges Leaders to encourage and promote **open economies in the Pacific** that could drive investment growth and assist in reducing costs of doing business.

Honourable Leaders, the Private Sector needs solutions to these challenges now. We are competing in a fast moving global market. I wish to thank the Leaders who joined us for the morning for very valuable exchanges. We would like to hear your thoughts on how you can assist the Private Sector. My colleagues from the region would be happy to clarify any queries you may have.

Thank you.