



## **PACIFIC ISLANDS FORUM SECRETARIAT**

PIFS(11)PSD

### **PRIVATE SECTOR DIALOGUE**

Auckland, New Zealand, 7 September 2011

### **PRIVATE SECTOR STATEMENT TO LEADERS SUPPORTING BUSINESS GROWTH IN THE PACIFIC – WHERE TO FROM HERE?**

**Honourable Leaders,**

The private sector representatives here today thank you for your ongoing commitment to build dynamic and sustainable economies throughout the Pacific.

2. In particular, we thank you for the confidence you show in the private sector, which you have acknowledged as being of prime importance to realising the region's potential. Today, we met to discuss ways to support the growth of the Pacific private sector, and to share innovative ideas that we believe will help to create greater regional prosperity.

3. We recognise the important role we play in creating an environment of opportunity. We create jobs, we purchase goods and services from other businesses, and we produce the exports our countries need to grow their economies. By creating jobs, we also create demand for better education and improved health services. We need a healthy and educated workforce to ensure our employees are productive and our businesses are internationally competitive. We need an inclusive private sector that encourages women and young people to become entrepreneurs.

4. In our last Dialogue, we discussed the critical importance of improving access to finance. Today, we agreed that access to finance continues to be one of the greatest challenges to the region, and one which stops us developing the next generation of entrepreneurs. It is particularly difficult for young entrepreneurs and those with innovative but risky business propositions to obtain investment capital, be it through lending or investment.

5. We note the work now led by Forum Economic Ministers to develop a regional Risk Sharing Facility for small to medium enterprises, and we welcome this initiative. We recognise and appreciate the work being done by the Asian Development Bank and World Bank Group to work with lenders to reduce risk and thereby lower the costs of borrowing, and to develop business registries. We welcome the Enterprise Challenge Fund which provided business grants to innovative business ideas, and the support for equity investment through the Kula fund.

6. But we believe that more needs to be done by donors, governments and financial institutions to improve access to finance, to simplify the process of securing business loans, and to attract foreign investment to small and medium enterprises in the Pacific. In particular, access to finance must be inclusive, and must be responsive to the needs and capacities of our enterprises.

7. Today we discussed the important role that can be played by development banks in providing credit and support to small Pacific businesses. We noted the need for these banks to be independent, transparent and effectively governed if they are to be sustainable and customer focused. To this end, we call for greater business representation on the boards of development banks.

8. We believe there is great potential to increase opportunities for the private sector through their involvement in the delivery of public goods. Encouraging involvement of the private sector in providing public goods, services and supporting infrastructure can lead to increased private sector growth and improvement in the quality, cost effectiveness and more sustainable and reliable service delivery.

9. We welcome initiatives taken by the World Bank Group, the Asian Development Bank and our development partners to ensure that local private enterprise has opportunities to bid for and win procurement and service contracts. We encourage these partners to go further and to provide more opportunities for local businesses coupled with more training to help these businesses develop the skills they need to secure future work.

10. We welcome the proposal from the Australia-New Zealand Leadership Forum for a public-private partnership to build the capacity of Small and Medium Enterprises in the Pacific to bid for supply chain elements in, for example, large infrastructure and tourism projects, and we encourage development partners and private enterprise to contribute to this fund.

11. We ask Leaders to ensure that national procurement processes are clear, transparent and simple, and that they ensure local enterprise is preferenced. We ask development partners to likewise simplify their procedures, and to provide assistance with compliance and tendering to those companies wishing to bid. We believe that long-term sustainable outcomes can be achieved when governments and donors “think local.”

12. Honourable Leaders, we greatly appreciate the opportunities provided to us in New Zealand to network with others. The Pacific Investment Summit facilitated discussions with potential business partners and provided a unique opportunity to meet investors from around the world. Our Dialogue today has encouraged discussion, information sharing and peer learning, things we value highly.

13. In the Pacific, we have fewer opportunities to benefit from formal technical and business skills training, particularly in the Smaller Island States where the need is most acute. We welcome greater opportunities to network and learn from others, particularly those in our key export markets. Opportunities to work overseas through labour mobility programmes are valued for the skills, experience and income it brings to Pacific island people.

14. We appreciate the skills being built through the Australia Pacific Technical College and the provision of internationally recognised qualifications for young Pacific islanders. We welcomed the announcement by Fletcher Building of a programme to train and employ Pacific islanders in the building and construction industry.

15. We support and encourage business mentoring and business matching initiatives that build greater links between the private sector in our region and in partner countries, and we call on the Pacific Islands Private Sector Organisation and Pacific Islands Trade and Invest to work with us to increase opportunities for networking, mentoring and information sharing.

16. Honourable Leaders, the future prosperity of our region is in your hands, but it is also in ours. We believe that the actions we take as the private sector are the drivers of opportunity, employment and achievement in our region. But we need your support to ensure that the business enabling environment is one that truly facilitates and supports our growth.

17. We seek your assistance in ensuring that the Pacific private sector has a voice in the development of government policy. We call on you to include private sector representatives in the development of all major policies, including trade negotiations, regulatory reform and national energy and infrastructure frameworks.

18. We call on you to ensure that State-Owned Enterprises are governed transparently and effectively, and that they are governed by independent and private sector-led boards to ensure essential business services are reliable and cost-effective.

19. We call on you to ensure compliance costs and technical barriers to trade are minimised through efficient and simple regulation so that a truly business enabling environment can be created in both home and partner markets.

20. We ask Leaders to consider the establishment of an independent regional development bank or regional business support fund to help serve the needs of the smaller islands.

21. We encourage you to help women enter government and business to create a truly representative public and private sector.

21. We are your partners in creating a sustainable and prosperous region, and we stand ready to advise you and support you to realise the potential of the Pacific.

22. We commend this to you for your consideration.