



PRIVATE SECTOR DIALOGUE WITH FORUM ECONOMIC MINISTERS
Tuesday 11 August 2020 10.30am – 10.50am Fiji Time

STATEMENT TO THE FORUM ECONOMIC MINISTERS
BY STEPHEN LYON, PIPSO CHAIRPERSON

- The Chairperson, Forum Economic Ministers Meeting;
- Honourable Forum Economic Ministers;
- The Secretary-General of the Pacific Islands Forum Secretariat;
- Representatives of the Private Sector; and
- Ladies and Gentlemen

Kia orana and greetings from Rarotonga, Cook Islands.

2. Honourable Ministers, Business is faced with a crisis. We want to do business but for many sectors across the Pacific, we cannot. There is no reasonable forecast for when we can do business again. Business needs confidence, and that there is a viable plan for recovery supported by government. There needs to be local and regional planning.

3. While the private sectors across the Pacific are grateful for the assistance from our various governments, the Private sector needs more than the stimulus offered, – we need some semblance of economic activity back in order to remain viable into the future. That has got to be the absolute priority – from a finance/economic perspective. Government support is an investment ensuring economic activity continues now and ensures a foundation for economic growth in the future.

4. COVID19 times do not replace our development needs and vulnerabilities, **they compound them**. We will still have natural disasters. We will still have geo-strategic issues pressing on our region. We still have climate change as the number one threat to our security and wellbeing. These things still exist and all the toolboxes we have developed and all the regional work we have done to build our resilience need to be maintained and improved at this vulnerable time.

5. While a nation states desire to protect its domestic businesses is understandable, we are advocating a Pacific/Oceania regional private sector approach. We believe there are benefits for all in working as a region.

6. Honourable Ministers, it gives me great pleasure to represent the Pacific/Oceania private sector and business communities here today. Because of the current situation, the usual broad based private sector representation is necessarily limited but I have with me connected from Fiji, Samoa and Marshall Islands, some PIPSO members who are part of the private sector delegation to this dialogue.

7. Over the years the Private Sector Dialogue with yourselves, Honourable Ministers, has provided an inclusive platform for the Pacific business community and Ministers to discuss emerging common private sector issues of importance to the region for which regional solutions can be discussed, considered and ultimately actioned. We aim to present key imperatives for collective efforts and resourcing to maintain business activity and longer term economic recovery. So we again, welcome the conversations to be had today.

8. This year's dialogue is happening amidst unprecedented business losses and damage due to the COVID-19 pandemic. And not just in isolation, but on the back of the measles outbreak last year, and Cyclone Harold earlier this year. A series of disasters that our members, the business community, have been feeling the brunt of since last year and now compounded by COVID19.

9. Honourable Ministers, in bringing our statement to you today, I shan't reflect too much on the impacts and the 'situation' our members are in. That is quite well known, has been documented by many and shared quite widely. Further, we are aware that each of our members has in their own way lobbied and advocated at the national level about the situation of private sector.

10. This disaster, like many in the past, has brought our members closer together and to consider ways to strengthen collaboration and identify solutions, recognising the common challenges, key amongst those being:

- i. Closure of borders and the impacts on tourism and supporting industries and other private sector activities, compounded further by the uncertainty of how long the crisis will last;
- ii. Restrictions at national level such as curfews, trading hours and uncertainties & ambiguities on definitions and applications and situations;
- iii. Transport and freight challenges with increasing costs and reduced frequency affecting businesses and supply chain limitations;
- iv. Access to finance and/or innovative financing solutions. Governments have released 'stimulus packages' to assist private sector in the short term but recognising the longer term impacts, and needs for private sector to remain in business, collective approaches and genuine Public-Private Partnerships needs to be adopted; and
- v. "Businesses grow, communities grow" and responsibility to look after our people. To be empowered we need economic activity, and private sector development – private sector as employers, as providers of good and services, and/or as agents of change - is at the forefront of this, to be supported by policies of our Governments, Honourable Ministers.

11. Over several weeks we have considered a suite of issues, but today, synthesizing those to bring to you three issues we see as fundamental to promoting and underpinning regional approaches to support the Pacific private sector:

(I) Partnerships for Recovery

12. We call on Governments and regional organisation's to work with private sector to discuss, plan and identify resourcing for the pathway to recovery. This cannot be emphasized enough and we call on Governments and regional partners to establish platforms and find ways to dialogue with private sector. During the Forum Economic Officials Meeting last week we heard of a few mechanisms being considered – for example, a taskforce to consider pathways to recovery, a partners roundtable,– but we did not hear the private sector being cited as a "go to" stakeholder in the plan for recovery. We encourage further efforts to bring the private sector into the process for planning our collective resilience and recovery.

13. The private sector is responsive to opportunity. While the economy may be depressed, individual businesses are still looking for opportunities, and will adapt and respond as they arise. Private sector and business organisations are standing by and we hereby commit to work with the Pacific Governments and regional crown agencies to make this a 'whole of society' approach.

14. National private sector organisations have served many business and community purposes over the years, and COVID-19 is no different. The collective national private sector organisations' community is committed and active in driving plans for business preparedness and response during the pandemic, and business rehabilitation to follow. We all see that our tourism, exports, retail and service industries have been hit hard by this economic downturn, and we are here to work with a range of partners to effect change by –

(i) Being a resource point for fact-based data, and information through this pandemic;

(ii) Promoting corporate social responsibility: we have seen businesses brought to their knees but despite this, many businesses, corporates and MSMEs are in the thick of community responses -delivering support to hospitals and the health sector, providing food and supplies, logistics, and others to 'give back to the community.' This is fundamental to community resilience and a preparedness outlook for private sector, and highlighting *resilience is everybody's business*.

(iii) Advocacy and lobbying for policies and strategies that will help private sector (and economies) to navigate, structure and lead during this time. Working with governments to implement the various economic stimulus packages and ensure that as much of the private sector is included, from corporates through to the micro enterprises that make up so much of our informal economies. And then following through to ensure that those businesses that are assisted are in the best place possible to remain in business post assistance, through continued training and mentorship.

15. .NPSOs and PIPSO, among other like organisations' can provide leadership, support and representation for the private sector. Provide factual and reliable communication and moral boosting messaging. It is therefore critical that recovery plans cultivate new partnerships with private sector, as ultimately, this is how we will save jobs, bring back jobs, and keep our Pacific economies growing.

16. Honourable Ministers, this also brings us to an important part of ‘partnerships.’ At the 2018 FEMM, a call was made to review PIPSO. A draft report has been circulated, which we understand you have also received in recent weeks. When the report is officially tabled and considered we ask that it receives your formal endorsement. A great part of leveraging private sector relationships, through our peak body PIPSO, will be built on the restructured organisation.

(II) Business confidence for Recovery

17. Now as much as ever , “Governments need to invest in Business, to invest in the Future.” Business confidence is fundamental to recovery when businesses are confident that they will have the environment and infrastructure needed for economic redevelopment. This is not just investing but supporting the private sector through policy that ensures ease of doing business. These include, but not limited to, cutting red tape and unnecessary compliance so businesses stay in business.

18. Honourable Ministers, we encourage investigating regional trade that might not have occurred before – so looking forward rather than looking back. We call on Governments to provide businesses the opportunity to find their space and be successful again, and these could include:

- Options to mitigate transport and freight issues such as cost and regulatory regimes. With less competition, regulators need to look at options to address the rising prices of transportation, and for exporters around arrangements/modalities to continue doing business. Unique issues associated to airlines trade in services and COVID19 has given opportunity to relook at this not just bilaterally but regionally;
- Business continuity planning and building private sector resilience must now include in addition to preparedness and post disaster rehabilitation; climate change, natural disasters and plans for health pandemics. The lessons of the current health pandemic must be integrated in future plans, and private sector inclusion is essential so that overall resilience is improved;
- This crisis has bought about several labour and employment challenges that are quite complex. And intrinsically linked to doing business. Labour skills and mobility are investor confidence issues and hinges on aspects of recovery plans being developed. We also need to look at labour reforms, regulations and OHS that is fit for a post COVID environment, as we all know it will not be ‘business as usual’; and

- As we look to reopen our borders, as called for by many of the Pacific economies, we encourage the adoption of regional standards for travel that have key actions in place to protect from the health risks of COVID19, while enabling COVID19 free travel within and between areas free of community transmission. This may be done bilaterally initially, but as the call for open borders intensifies a regional standard is preferred that can be scaled to include other international partners as their COVID19 status improves. There needs to be consistency in plans and applications on those wanting to participate.

(III) Infrastructure

19. Honourable Ministers, economies around the world are looking to policies for stimulating business activity and growth, and we are certainly no different. Infrastructure investment has a lot of attractions it supports both now and future economic sustainability and growth.

20. Pre-COVID infrastructure commitments need to proceed and where possible brought forward. Major infrastructure not only creates jobs in its own right but provides an economic multiplier that supports the SME sector. We, the collective private sector, reiterate our call for the cabling of our region. With borders closed, connectivity has become the new must have. ICTs is crucial especially as we endeavour to embrace digital transformation like never before and build on networked economies, and e-commerce and digital trade opportunities.

21. We recall at the 2019 FEMM, infrastructure facility was a key agenda item and with COVID19, all the more reason to bring this to the fore for the dual benefits of developing key infrastructure and providing much needed stimulus. We would like to hear more about how we can leverage Public Private Partnerships under the Australian Infrastructure Financing Facility as well as the New Zealand Pacific Reset programme. PIPSO is keen to work with partners to promote project development focused on jobs particularly with regards to policies to promote gender equity and youth inclusion in the workforce, as well as contracts, procurements, and partnerships for local Pacific businesses.

Conclusion

22. In conclusion, Honourable Ministers, we commend the Forum governments support of private sector, through recent stimulus packages and encourage continuous targeted financing mechanisms and solutions.

23. The experiences in the past months shows a quick recovery is unlikely, and hence the call for renewed efforts to strengthen the economy through innovative inclusive and responsive policies that would integrate strategies for enhancing the informal economy, maximizing benefits of domestic and regional markets, alongside our strategies for promoting economic growth. A hybrid economy that takes into consideration the need for foreign exchange and employment targeting Pacific private sector.

24. Honourable Ministers, we call on Governments to expedite a forward-looking transformative plan, beyond COVID-19 that is inclusive, aligned to our Blue Pacific values – that cares for the wellbeing of its peoples, improves and protects our regions environment, culture, and one that supports a transition to a sustainable and climate resilient industries. To support this transformative plan, we urge the Forum Members to provide the necessary support and buffer for our businesses, and push forward on designs for resilient business environments, and empowering new business models and local ecosystems, and to work with PIPSO and the other regional private sector bodies in this.

25. Honourable Ministers, I thank you for your indulgence and again hereby reaffirm the Pacific private sector, the PIPSO Members, support to working with you.

PIPISO Secretariat
Suva, Fiji