

## Keynote Speech by Dr Luke Forau

### Theme: Navigating Business Through a Challenging Landscape in the Solomon Islands

#### Salutation:

Prime Minister, Hon. Jeremiah Manele and your good wife,  
Deputy Prime Minister, Hon. Bradley Tovosia  
Minister of Finance and Treasury, Hon Manaseeh Sogavare,  
Ministers of the Crown and other members of parliament,  
SICCI Chairlady, Ms Namoi Kaluae, and the rest of Board Members,  
CEO of SICCI, James Dolarii, and your team,  
Excellencies and other Diplomatic Corps,  
Senior Government Officials  
Distinguished guests,  
Respected members of the private sector,  
Judges for the Business Excellence Award,  
Media, ladies and gentlemen.

Good evening to you all.

It's indeed an honour for me to stand here and share a few insights on a theme that is fitting and relevant for us: that is, "**Navigating Business Through a Challenging Landscape.**"

**Our economy is slowly recovering and expected to grow at 3 percent this year and an average growth rate of 2.5 percent in the medium to long-term. We all know that this rate of growth is not our potential and is not sufficient for the country to sustain the growing population. We may graduate from the LDC status come 2027, but whether that status will translate into our people daily living is something that all of us must seriously think about.**

Ladies and gentlemen, this evening, we gather together at a crucial juncture for our beloved country. While I don't want and intending to dwell into figures, but Solomon Islands, with its rich culture, abundant resources, and limitless potential, is poised to embark on an exciting journey into new frontiers. Indeed, we are navigating through a dynamic and sometimes unpredictable business environment.

We are living in a time of remarkable transformation—one that invites us to rise to the occasion and redefine what is possible. Businesses around the globe are facing complexities and disruptions that push us to rethink traditional models. From economic shifts and technological advancements to global supply chain challenges and evolving customer expectations, we are confronted with a unique set of circumstances. Yet, it is precisely in these moments of adversity that the true spirit of business innovation and leadership shines brightest.

Tonight, I will address the theme by sharing some thoughts on how we can **harness innovation, cultivate resilience, and foster collaboration** to not only navigate these challenges but to thrive in them.

So, if there is anything for you to take away from what I am going to tell you, then it would be three things: *innovation, resilience, and collaboration.*

## **1. Acknowledge the Unique Challenges**

That said, as business leaders, we stand at the helm of an ever-evolving landscape defined by significant challenges. Therefore, to successfully navigate through, we must first recognize and confront these realities. As you know, in Solomon Islands, just like any other small island economy, we are operating in an environment reshaped by climate change, further complicated by our island geography and limited infrastructure. On top of this, we face the unpredictability of global market volatility and the relentless pace of digital transformation.

Ladies and gentlemen, while the road ahead may seem daunting, the truth is that this complexity is not a barrier—it is an invitation. An invitation to be bold, to adapt, and to harness the power of creativity in leading our businesses into the future.

Yes, as a small island economy, we are connected to the global market, which opens us to more vulnerabilities including disruptions in trade, investment, and the broader economy. The COVID-19 pandemic was a stark reminder of this fragility, as it shattered supply chains, restricted travel, and limit access to markets we depend on. But rather than simply seeing vulnerability, we must see opportunity—the opportunity to innovate, to rethink, and to build further resilient systems.

Ladies and gentlemen, the challenges we face are real—but they are by no means insurmountable. Time and again, the private sector has proven its resilience. Whether adapting to global crises, overcoming isolation, or bouncing back from setbacks like the riots, we've demonstrated an unmatched ability to rise. Now, it's time to channel that resilience, that tenacity, into the future of business. The road ahead may be uncertain, but it is paved with endless possibilities. Together, we can shape a future that thrives, no matter the obstacles.

## **2. Resilience and Adaptability: Key to Moving Forward**

Having acknowledged the existence of these challenges, it is also pleasing to note that one of the defining characteristics of businesses that succeed in challenging environments is **resilience**. Resilience is not just about bouncing back; it's about learning, evolving, and adapting to change. It's about finding new ways to grow even when traditional methods don't work.

In Solomon Islands, resilience can be seen in businesses that are adapting not only to the realities of our geography, but also living through the realities of a punitive environment. One classic

example I can give was that during the riot in 2021, many businesses were either burnt down or looted and destroyed. However, that did not stop many of these businesses from standing up again. Even, one business went to the extent of writing it on the wall to “**NEVER GIVE UP**”. Now, that is what I called resilience!

Resilience can also be seen in businesses adapting to the growing emphasis on **digital technologies**. With limited physical infrastructure, Solomon Islands has the opportunity to leapfrog traditional models by embracing digital platforms for everything from retail to education to government services. There is no need to re-invent the wheel. The internet and mobile technologies offer a way for businesses to connect with customers and partners, both locally and internationally, without the need for expensive travel or physical infrastructure.

Similarly, **agriculture**—said to be the backbone of our local economy—has witnessed innovation in the form of sustainable practices that not only reduce the environmental footprint but also improve productivity. Recently, it’s encouraging to see some of our farmers and agribusinesses embracing new technology to adapt to changing weather patterns and increase yields, showing us that with the right mindset, innovation can drive growth in even the most challenging conditions.

Our farmers can also gain access to real-time weather updates, market prices, and even automated supply chains. For example, the use of drones can monitor the health of crops, and the blockchain technology can create transparent, traces supply chains for export goods. This kind of innovation will enable local businesses more competitive and will generate employment, increase the income of our families across our islands.

### **3. Embracing Innovation in the Private Sector**

This leads me to my next point – the private sector to embrace innovation. Why innovate?

I firmly believe that businesses that succeed in the challenging environment will be those that don’t just react to change, but they **proactively create** it. And the private sector is where the most powerful innovations can come to life.

Innovation is the engine that drives progress, and it is essential to fostering growth in the private sector. Whether it’s developing new business models, finding more efficient ways to produce goods, or embracing the digital transformation, innovation is the path to long-term success.

In short, **innovation means finding smarter solutions to older problems**. Embracing technology is no longer an option – it becomes a necessity for businesses to remain relevant in a globalized economy.

Moreover, innovation is not just about technology—it’s also about mindset and connection. To truly unlock the potential of our businesses, we must create a culture of creativity and problem-solving. **Entrepreneurial spirit and the willingness to challenge the status quo** must be at the heart of every business.

In the Solomon Islands, the private sector must move beyond simply trying to meet the demand, and instead, focus on creating demand through novel solutions.

Yet, we must focus on innovation with local content that is tailored to our local context, but have global insights. This means harnessing our natural resources responsibly and looking at how we can add value locally. **Eco-tourism**, for example, is a sector suitable for growth, as the global demand for sustainable travel continues to rise. Our pristine environments, rich cultural heritage, and biodiversity present an opportunity to develop a world-class tourism sector that not only generates revenue but also promotes conservation and sustainability.

In the same way, businesses in sectors like **fisheries** or **forestry** can develop sustainable practices that not only preserve our environment but also lead to new markets, higher-quality products, and long-term business growth. This is the kind of innovation that can ensure we continue to build on our traditional industries while adapting to the demands of the modern world.

Another promising area for innovation is the **renewable energy sector**. With the Solomon Islands being heavily reliant on imported fossil fuels, there is immense potential to harness our natural resources—such as wind, solar, and hydroelectric power—to create more sustainable energy solutions for our communities. Businesses in the energy sector can lead the way in developing these solutions, helping to reduce costs, increase energy independence, and contribute to the global effort to mitigate climate change. This improves our energy security, as well as opens up new markets for clean energy solutions.

This is the power of innovation: it allows us to not just adapt to change, but to shape the future on our own terms. The time is now to embrace bold ideas, create sustainable solutions, and build businesses that will not only survive the challenges ahead but will lead the way toward a prosperous, resilient future and beyond for Solomon Islands.

#### **4. Collaboration: Working Together for Growth**

Now, innovation does not happen independently, it thrives in environments where ideas are freely exchanged. As a small island economy, we cannot afford to act in isolation or work in silos. No one business, no matter how large, can solve the challenges of the market alone. That is why collaboration between businesses, industry groups, and even with the government is essential for growth and resilience. It generates fresh ideas, encouraging partnerships, and provide access to expertise and resources that would otherwise be difficult to tap into individually.

Therefore, we must continue to strengthen **public-private partnerships**, collaborate on infrastructure projects, and support each other through shared resources and networks. The government and private sector must work together to ensure that the regulatory environment is conducive to business growth, while also prioritizing sustainable development.

We also have the opportunity to collaborate across borders within the Pacific region. For instance, trade agreements, like the **Pacific Agreement on Closer Economic Relations**

(PACER Plus), can lead us to new opportunities for us to tap into broader markets and exchange knowledge, best practices, and resources with our neighbors. Through these regional networks, we can boost trade, strengthen our supply chain, and enhance our collective economic resilience.

## **5. The Role of the Solomon Islands Government in Supporting the Private Sector**

While the private sector must lead the charge in driving innovation and resilience, it is equally important to recognize the vital role that the **Government** plays in creating an enabling environment for businesses to thrive. The government's support is crucial in addressing structural challenges, building infrastructure, and promoting policies that empower businesses to grow and succeed.

Here are a few well known key areas where the government can provide valuable support to the private sector:

### **1. Infrastructure Development**

As you all know, one of the most pressing challenges businesses face in Solomon Islands is access to reliable infrastructure, including roads, ports, aviation, and utilities. The government must continue investing in the development and maintenance of infrastructure to ensure that businesses can operate efficiently and effectively, particularly in rural and remote areas. Improved transport networks, for example, can open up markets and reduce the cost of doing business.

Solomon Islands is made up of islands that are scattered across the ocean. While air transport can provide connectivity to the islands, sea transport remains the cheapest and frequently used mode of transport to link our islands. On this note, I'd like to call on the government to ensure that sea transport is available to all islands where people live. The government can provide this service to the non-economical routes while the private sector can take care of the economical routes. That's how the government together with the private sector should deliver its services.

### **2. Digital Transformation and Connectivity**

As businesses in the Solomon Islands increasingly embrace digital tools, it is essential that the government supports the expansion of internet access and digital infrastructure. And I am pleased that the government is in the right direction in doing exactly in this space (give a round of applause to that), while we have the Hon Prime Minister here with us, I urge the government to do more.

As you all know, Government-backed initiatives that promote affordable and widespread internet access can help businesses bridge the digital divide and open up new markets and opportunities, both locally and globally.

For us at the Central Bank of Solomon Islands, as part of the government, we are aggressively championing the financial digital services through the financial inclusion space. As most of you may have already experienced that the implementation of our National Payment system has

indeed improved the local transactions into a real time gross settlement. We are currently working on a payment gateway system that will allow or make it possible for you to pay goods/services locally online.

Furthermore, we are also promoting e-wallets platforms/solutions where it gives you an option to pay for goods/services using your mobile phones. So, your phones become your wallet. While we encourage the financial technologies (Fintechs), we are also mindful of the risks including cyber, that come with these technologies. And our other role is to ensure that these technologies are safe and secure for customers to use.

So yes, while it is SLOW, but SURELY, we will get there!

### **3. Simplifying Business Regulations**

The government can also play a significant role in improving the ease of doing business. By simplifying regulations, reducing red tape, and ensuring that business laws are clear and transparent, the government can make it easier for entrepreneurs to start and grow their businesses. Streamlining business registration processes, tax systems, and labor laws will encourage more investment and support the growth of small and medium-sized enterprises (SMEs).

### **4. Promoting Investment and Trade**

The government must continue to build strong trade relations with international partners and facilitate access to foreign investment. At the same time, creating incentives for local businesses to invest in innovation, infrastructure, and sustainability can drive long-term economic growth. Encouraging investment in key sectors such as renewable energy, eco-tourism, agriculture, and technology will help diversify the economic base.

### **5. Supporting Education and Workforce Development**

The government also plays a key role in preparing the future workforce. By investing in education and vocational training, particularly in fields that are critical for economic growth—such as technology, engineering, and sustainable agriculture—the government can equip young people with the skills they need to succeed in the modern economy. This partnership between the public and private sectors will create a more skilled and adaptable workforce that can help drive innovation and productivity.

Perhaps, it is time that the government start exploring establishing a ministry or department of science and technology. One of the roles of such department/ministry is to provide necessary support for innovators (be it at the firm level or individual level) to materialize their invention, from an idea right up to the prototype to commercialization of the product.

### **6. Fostering Sustainable Practices**

As we look to the future, the government must prioritize sustainable development policies that align with both environmental protection and economic growth. Supporting businesses that adopt green technologies, sustainable practices, and low-carbon initiatives will position the Solomon Islands as a leader in the global push for sustainability, while also opening new opportunities for businesses to access environmentally-conscious markets.

## **6. Conclusion: Building a Future of Innovation Toward a Brighter Future**

To conclude, navigating the challenges of our country's business landscape requires **innovation, resilience, and a commitment to collaboration**. By embracing change and being open to new ways of doing business, we can transform the challenges we face into opportunities for growth and prosperity.

If we are to succeed in navigating this challenging environment, **innovation must be in the DNA of every businessman/woman in this room**. The companies that thrive will be those that do not fear change, but that embrace it with both hands. They will be the ones that **anticipate market shifts, find new solutions, and create value** in ways that others cannot.

The landscape may be challenging, but it is also rich with potential. As business leaders, we have the power to shape the future of our country—one that is not just about survival but about thriving in a way that benefits our people, our environment, and our economy.

And remember, **we must focus on innovation with local content that is tailored to our local context, but have global insights**.

With the continued support of the government, we can build the infrastructure, policies, and frameworks that will enable businesses to succeed in an increasingly complex world.

So, to the private sector leaders of Solomon Islands, I challenge you today: **Be the pioneers of progress**. Innovate with purpose. Lead with vision. And never forget that the greatest challenges often bring out the greatest opportunities.

Let us move forward together with confidence, purpose, and a shared commitment to building a brighter, more sustainable future. And our innovation today will be the foundation for a prosperous Solomon Islands tomorrow.

Thank you very much for listening and God Bless you//.