

## **Pacific region promises opportunities for investment**

### **PRESS RELEASE (81/10) 13th August 2010**

The Pacific Region promises great opportunities for investment despite the many disadvantages present in the countries.

In the keynote address at the first ever Pacific Islands Investment Summit being held in Sydney, Australia, Secretary General of the Pacific Islands Forum Secretariat, Tuiloma Neroni Slade told the delegates from the private sector and policy makers: "This is an entirely new opportunity, one neglected for too long, for investors to interact with policy makers from the region to review the state of investment and private sector development in the islands, to establish opportunities for match-making and to explore openings for increasing foreign investment flows to the Pacific Island Countries."

"It is the first such event to focus purely on investment opportunities in Pacific island countries. As such, the gathering provides a timely context for enhancing understanding of the investment environment and of how investors can take advantage of the new commercial avenues which are available and being generated by developments in the Pacific.

"For despite many disadvantages, the Pacific is a region of promise, with investment opportunities available in tourism, agriculture, fisheries, manufacturing, general services, transport and construction; indeed, with what is expected of the LNG and mineral projects in PNG, the potential of resources in other island States, including in the seabed and maritime areas, the Pacific is a region of infinitive promise," said Mr Slade.

Mr Slade told the delegates that the Summit is being held at a critical time for economies of the Pacific region.

"The global economic and financial crisis has affected all economies and one of the impacts has been on investor confidence. We hope there has been no undue erosion of that confidence. The past two years have been particularly challenging for countries seeking to attract investment. But with the crisis, lessons have been learnt and many countries have been able to undertake essential reforms to create better business-enabling environments, to make them conducive, and more attractive to foreign investors. This can only lead to new openings waiting for those who are prepared to think creatively, strategically and for the long-term."

The Forum Secretary General said the just concluded 41st Pacific Islands Forum meeting in Vanuatu had the theme of "Navigating our challenges and opportunities together towards addressing the needs of the most vulnerable of our communities."

"This theme speaks directly to today's Summit, for broad-based, private sector-led growth is essential to achieving faster development progress, and so that we can respond to the needs of the most vulnerable. Investment is absolutely necessary for economic growth, private sector development and wealth creation.

"But in the Pacific, as I am sure you all know, investment has always been bedeviled by regulatory and legal impediments, costly access to finance, insecurity of land tenure, regulated capital and the dual tyrannies of diseconomies of scale and distance from markets. All these factors increase the cost of doing business for aspiring investors, and for all those living and trading in the Pacific."

Mr Slade told the Summit that in the Pacific, small and medium enterprises make up much of the private sector.

"These enterprises face difficulty accessing finance to support their establishment and growth. As related by the private sector in their dialogue with Forum Leaders last week in Port Vila, less than 20% of adults in the Pacific have access to financial services, and fewer still have access to credit. Investment capital is scarce or regulated

in the region and therefore entrepreneurs, both domestic and foreign, cannot make the most of the many opportunities present in tourism, resources, services and manufacturing.

“This makes foreign investment all the more vital for exploiting the opportunities which are present in the region and which help to create a vibrant and growing business community. At the Private Sector Dialogue with the Leaders’ Plenary in Port Vila, as I have said, business representatives from Forum Member countries drew attention to the difficulty faced by businesses in the region when attempting to raise capital for investment. This puts the spotlight on the mutuality of responsibilities: on the part of Governments to create the enabling environment; and for the private sector investors to respond to the opportunities,” Mr Slade said.

He added: “Foreign investment builds the comparative advantage of Pacific countries which allow them to utilize the economic potential of their resources, and to develop the skills of island communities so that their own entrepreneurs can grow and flourish. The partnership with the foreign direct investors is, simply, fundamental; and I cannot over-emphasise the desirability and long-term value of these partnerships.”

Mr Slade pointed out that foreign investment is also needed for export production.

“The meaningful participation of Pacific Island economies in international and regional trade depends on their capacity to produce exports. Except for a few countries, export production requires substantial development and is one area that calls for the focus of discussions in the next two days, and around which foreign investment could be targeted. I hope investors present here will use the opportunity to explore with representatives from the Pacific Islands how they could potentially invest in export production in their respective countries. Remember, we are talking of a sizeable market of currently close to 10 million and, furthermore, that the region is already working towards a single Pacific economy through intensified regional integration under the Pacific Plan.”

The Summit is organized by the Forum Secretariat’s Pacific Islands Trade and Invest in Sydney. The event is attended by some 150 private sector entrepreneurs and policy makers from the Pacific region.

ENDS

**[Read this online](#)**

You are receiving this because you subscribed to e-bulletin on our website [www.forumsec.org](http://www.forumsec.org).