

LETTER FROM THE SECRETARY GENERAL



TALOFA AND WELCOME TO THE INAUGURAL PACIFIC ISLANDS TRADE & INVEST ANNUAL REPORT.

As part of the Pacific Islands Forum Secretariat, Pacific Islands Trade & Invest focuses on the development and international promotion of export-capable businesses in Pacific Island countries. Through Pacific Islands Trade & Invest, we support Forum Leader's vision of a better future for Pacific Island countries through more sustainable communities and greater prosperity.

Significant progress has been made since 2008 when we began the process of strengthening and reinvigorating our Trade Offices. In 2009, Ministers adopted the name Pacific Islands Trade & Invest to consolidate all our offices in Auckland, Beijing, Sydney and Tokyo. With the generous support of their host governments, these offices have provided trade, tourism and investment promotion services to Pacific Island businesses for many years. By bringing these offices together as a single entity, we aim to harmonise our service offering, strengthen performance and improve the service we offer to the Pacific Islands' private sector.

The Forum Secretariat is committed to increasing our support for trade development and promotion through Pacific Islands Trade & Invest. We are streamlining the operations of our offices through the development of an integrated strategy and the introduction of a new performance evaluation and management system. Much of the information contained in this report is a direct result of this work, which for the first time, details the achievements of all four offices.

During the period covered in this report, we undertook preparatory work to improve the performance of our trade offices, including reporting and measurement. Many of the figures included in this report are the result of introducing performance evaluation and management systems to our offices in Sydney in 2009, and Auckland and Beijing in 2010. With a baseline in place, we will now be able to demonstrate growth in key performance areas over coming years.

The Forum Secretariat's Economic Governance Programme supports the role of Pacific Island Ministers and Officials in the negotiation and implementation of trade agreements at national, regional and international levels. Our work with Pacific-ACP States to conclude an Economic Partnership Agreement with the European Union, our support for the Pacific Island Countries Trade Agreement and our advocacy on behalf of the region at the World Trade Organisation is well recognised. This work aims to secure better international opportunities for Pacific Island exporters, but we also know that trade agreements alone do not create trade.

For this reason, we place a high priority on the work of Pacific Islands Trade & Invest. In coming years we will undertake a range of initiatives to improve our service offering to the Pacific Islands' private sector. To support the Economic Partnership Agreement negotiations, Pacific Islands Trade & Invest is turning its attention towards Europe. In 2011, with the support of the European Commission, we will lay the foundations for the expansion of the Pacific Islands Trade & Invest network into Europe. This is a strategic decision to increase niche market trade to Europe, particularly in value-added commodities and high-end manufactured products. We see great opportunity in Europe for a range of Pacific Island products, particularly organic and fair-trade goods. The Pacific Islands have a natural advantage in these markets and our Trade Representative in Geneva will be tasked with increasing high-quality Pacific Island exports to European Union member countries.

We are also firmly focused on the Asian market. In 2011, we will strengthen our engagement with the People's Republic of China by increasing the number of Pacific Island employees in the Beijing office to help us increase business-to-business links between Pacific Island and Chinese business communities. We will also work with Pacific Island businesses to educate them in Chinese business etiquette to enable them to make the most of the opportunities offered by this country of over a billion people.

This is an exciting time for Pacific Islands Trade & Invest and our clients. In 2011 we will work tirelessly to deliver real outcomes for Pacific Island businesses by continuing to help grow export, tourism and investment in the region. On behalf of the Pacific Islands Forum Secretariat, I thank the Trade Commissioners and Representatives for their hard work in 2010 and wish them every success in the coming year.

Tuiloma Neroni Slade
Secretary General
Pacific Islands Forum Secretariat



Pacific Islands Trade & Invest is the international trade and investment promotion agency of the Pacific Islands Forum Secretariat¹, based in Fiji.

Our offices in Auckland, Beijing, Sydney and Tokyo are entrusted with the task of promoting export and investment opportunities and, through this, the broader economic interests of Pacific Island countries.

Pacific Islands Trade & Invest aims to develop, grow and promote industry and the businesses of all 14 Pacific Island countries in export, investment and tourism promotion across international markets.

¹The Pacific Islands Forum was founded in 1971 and comprises 16 independent and self-governing states in the Pacific, namely Australia, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

COOK ISLANDS

FEDERATED STATES OF MICRONESIA

FIJI ISLANDS

KIRIBATI

NAURU

NIUE

PALAU

PAPUA NEW GUINEA

REPUBLIC OF MARSHALL ISLANDS

SAMOA

SOLOMON ISLANDS

TONGA

TUVALU

VANUATU

PACIFIC ISLANDS TRADE & INVEST PROVIDES SERVICES IN EXPORT FACILITATION, INVESTMENT AND TOURISM PROMOTION WITH THE AIM OF IMPROVING THE LIVELIHOOD OF PEOPLE IN THE PACIFIC ISLANDS.

We focus on the development of export-capable businesses and the international promotion and support of exporters in Pacific Island countries.

VISION

The Pacific Islands Trade & Invest offices work together to create greater international opportunities for Pacific Island businesses to build a better future through more sustainable communities and greater prosperity.

MISSION

Pacific Islands Trade & Invest will contribute to the sustainable economic development of the Pacific Island countries by creating opportunities for exporters, investors and stakeholders.

STRATEGIC FOCUS

Pacific Islands Trade & Invest provides expertise and tailored services that best serve the business needs of the private sector in Pacific Island Forum Member countries. By focusing on our strengths and comparative advantage, we cooperate and coordinate with other key regional stakeholders to build capacity and develop the trade potential of the private sector. We help businesses become export-ready for successful entry into international markets.

WHAT WE DO

PACIFIC ISLANDS TRADE & INVEST WORKS WITH EXPORTERS TO PROMOTE THEIR PRODUCTS AND SERVICES AND ATTRACT INVESTMENT TO PACIFIC ISLAND BUSINESSES.

WE DO THIS BY:

- Developing export-capable businesses;
- Promoting and connecting export-ready businesses;
- Connecting exporters with international buyers;
- Facilitating the marketing of niche Pacific Island tourism services and products;
- Introducing potential investors to the Pacific Islands;
- Providing promotional support, networks and technical expertise; and
- Facilitating shared understanding between markets.

This core service offering is common across our four offices in Australia, Japan, New Zealand and the Peoples' Republic of China. However, each office also responds to the particular service needs of the key stakeholders and markets in which they operate. For example, due to the small size of many Pacific Island countries, Pacific Islands Trade & Invest often plays a vital role in assisting countries to engage with partner governments. We also often assist Pacific Island businesses in the procurement of products from international markets as inputs to the production process.

DEVELOPING EXPORT-CAPABLE BUSINESSES

Pacific Islands Trade & Invest works with businesses in both their home and export markets to build export capacity and investment potential. With the aim to connect our clients to business opportunities that will most benefit Pacific Island communities. We help our clients achieve their business outcomes through sharing innovative business ideas and approaches, combined with our in-depth understanding of the diverse situations and challenges faced by businesses in the Pacific Islands.

We are committed to increasing the diversity of our clients through the promotion of women entrepreneurs, the creative industries and Indigenous and traditional knowledge to international markets.

PROMOTING AND CONNECTING EXPORT-READY BUSINESSES

Pacific Islands Trade & Invest understands the export potential and customer base for Pacific Island businesses in the four markets in which we operate. Through innovative and creative approaches, we bring exporters to the market and help the market find their products.

We work with producers in-country by helping them develop their products and proposals, connecting them with buyers, assisting in meeting quarantine requirements, negotiating shipping and clearance issues, and helping with other logistical and operational needs.

CONNECTING EXPORTERS WITH INTERNATIONAL BUYERS

With an international network and on-the-ground professional services in high priority markets, Pacific Islands Trade & Invest can fast track the growth of Pacific Island businesses. We can provide contacts for logistics, assist with customs clearance and quarantine requirements, and arrange business matches through our extensive knowledge of market needs and demand. Our services include both identifying buyers for Pacific Island producers and identifying suppliers to meet new and emerging foreign market demand.

FACILITATING THE MARKETING OF NICHE PACIFIC ISLAND TOURISM SERVICES AND PRODUCTS

Pacific Islands Trade & Invest works to promote tourism in Pacific Island countries with a particular focus on the independent traveller and adventure markets. Through helping tourism-related businesses market their product and forge strong relationships with travel industry partners, we enable Pacific Island countries to draw on their diverse cultures to build strong niche markets.

INTRODUCING POTENTIAL INVESTORS TO THE PACIFIC ISLANDS

The in-depth knowledge gained through our experience working in the Pacific Islands, combined with our presence in four key markets, enables us to facilitate investment opportunities for our clients. With the goal of raising awareness and creating new opportunities for the region, Pacific Islands Trade & Invest has facilitated events such as the Pacific Investment Symposium to encourage networking amongst Pacific Island businesses and foreign investors.

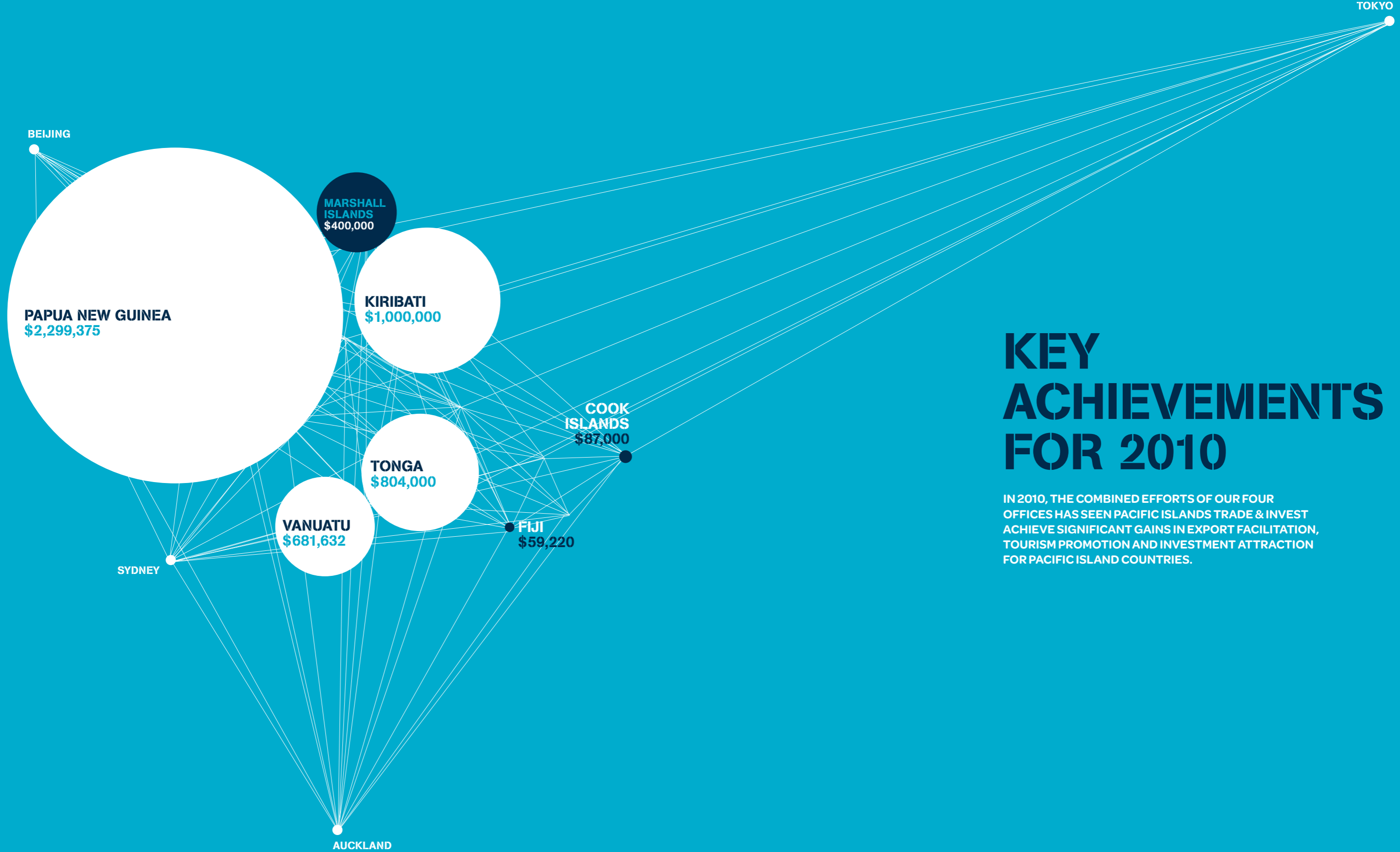
PROVIDING PROMOTIONAL SUPPORT, NETWORKS AND TECHNICAL EXPERTISE

Pacific Islands Trade & Invest offers trade promotion services, business networking opportunities and technical expertise either directly by our Officers or through the procurement of specialised skills to meet client needs. These services include support in areas such as graphic design, branding, standards and compliance, customs and quarantine requirements, and product development.

FACILITATING SHARED UNDERSTANDING BETWEEN MARKETS

Our extensive experience and in-depth knowledge allows us to provide credible and constructive advice and support for exporters and investors alike. Through awareness-raising seminars, training workshops, trade missions and country promotion, Pacific Islands Trade & Invest fosters new market opportunities for Pacific Island businesses and investment opportunities for foreign investors.

- EXPORT
- INVESTMENT



KEY ACHIEVEMENTS FOR 2010

IN 2010, THE COMBINED EFFORTS OF OUR FOUR OFFICES HAS SEEN PACIFIC ISLANDS TRADE & INVEST ACHIEVE SIGNIFICANT GAINS IN EXPORT FACILITATION, TOURISM PROMOTION AND INVESTMENT ATTRACTION FOR PACIFIC ISLAND COUNTRIES.



THE CAMPAIGN HAS CAPITALISED ON LONELY PLANET'S REPUTATION AS ONE OF THE MOST TRUSTED TRAVEL BRANDS WITH AN IMPRESSIVE ONLINE PRESENCE OF MORE THAN 8 MILLION WEBSITE VISITORS A MONTH.

LONELY PLANET & TRAVEL PORTAL CAMPAIGNS

In 2010, Pacific Islands Trade & Invest's Sydney Office developed a major tourism initiative focusing on online marketing of Pacific Island country tourism experiences. The aim of the online initiative is to increase the number of accommodation and related tourism businesses listed on – and generating business through – high-profile internet travel portals. Through this, the initiative aims to increase tourism to the Pacific Islands with a focus on the businesses of small-scale operators and independent travel options. The initiative commenced with campaigns on the Lonely Planet website and travel portals Wotif.com, Expedia.com, Travelocity.com and WHL.travel.

A collaboration between Pacific Islands Trade & Invest and the South Pacific Tourism Organisation (SPTO), the Lonely Planet campaign targets the lucrative 18–35 year-old backpacker and Fully Independent Traveller markets from Australia and New Zealand.

Launched in October 2010, with intensive campaigns scheduled for February/ March and May/June 2011, the Lonely Planet campaign brings visitors from Lonely Planet's main website to a dedicated Pacific Islands microsite featuring the 16 Pacific Island member countries of the Pacific Islands Forum and SPTO. The campaign provides publicity for airline and accommodation providers in the region through online promotions and referral links to the microsite.

The primary objective of the campaign is to increase awareness about the Pacific Islands as a holiday destination amongst Fully Independent Travellers. These tourists are more likely to visit destinations like South East Asia due to their limited knowledge of the opportunities for independent travel available in Pacific Islands. The campaign also seeks to change perceptions amongst adventurous young travellers who often view the Pacific Islands as package holiday and resort-style experiences. The Lonely Planet campaign instead promotes the Pacific Islands as an exciting destination that offers culture, adventure and eco-tourism experiences.

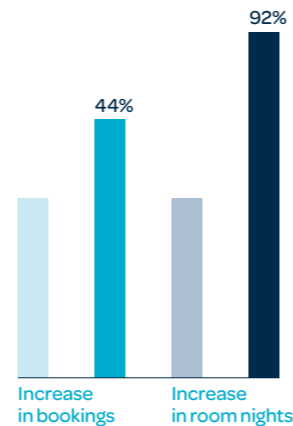
The campaign has capitalised on Lonely Planet's reputation as one of the most recognised and trusted travel brands in the world. The Lonely Planet website attracts more than 8 million website visitors each month. The first of the intensive campaigns, marketing the Pacific Islands as being "like no place on Earth," has already yielded substantive results with over 7,000 unique visitors to the microsite. Data suggests that the campaign is successfully reaching our target audience with 46% of visitors being under 34 years old and nearly half indicating that they have not visited the Pacific Islands before.

The initiative is showing early signs of success. A dedicated Pacific Islands campaign that ran with Wotif.com in October and November 2010 resulted in a 44% increase in bookings and a 92% increase in room nights booked over the campaign period. The creation of unique country pages for Fiji, Cook Islands, Samoa, Papua New Guinea, Solomon Islands and Tonga on Wotif.com contributed to over 100 room nights being booked during the campaign.

Pacific Islands Trade & Invest will continue to develop the online tourism initiative in 2011 and 2012 by developing relationships with travel portals with the aim of increasing accommodation sales by leveraging both traditional distribution and online sales channels. We will continue to collaborate with SPTO to develop online marketing campaigns to diversify and increase tourism in niche areas.

**WOTIF.COM
OCT & NOV 2010**

A dedicated Pacific Islands campaign that ran with Wotif.com in October and November 2010 resulted in a 44% increase in bookings and a 92% increase in room nights over the campaign period.



44%
Increase in bookings on Wotif.com





TRADE & INVESTMENT SYMPOSIUM, SHANGHAI

In July 2010, the Beijing office worked closely with the Economic Governance Programme at the Pacific Islands Forum Secretariat to host a Trade and Investment Symposium at the Shanghai World Expo. Supported by China's Ministry of Foreign Affairs and Ministry of Commerce, the objective of the Symposium was to foster awareness and understanding between the private sector and government representatives from Pacific Island countries and their Chinese counterparts.

The Symposium aimed to produce concrete business outcomes by creating opportunities for face-to-face business meetings between Pacific Island and Chinese businesses, and thereby facilitating joint trade and investment opportunities. The event also provided Pacific Island delegates with the opportunity to learn about Chinese enterprise through organised site visits.

The program for the five-day Symposium included a full day plenary session, facilitated face-to-face meetings between private sector participants, and site visits to Chinese factories and enterprises in Sanmen County and Taizhou City in Zhejiang Province, and Taicang City in Jiangsu Province. Private sector representatives from Cook Islands, Samoa, Fiji, Kiribati, Tuvalu, Solomon Islands and Papua New Guinea attended the Symposium, along with government representatives from Tonga, Niue, Federated States of Micronesia and Vanuatu.

The focus of the Symposium was to target and match Pacific Island businesses with potential Chinese partners. To that end, the Beijing Office identified and invited specific businesses from across China in sectors including fisheries and aquaculture, mining, construction, renewable energy, shipping, tourism and real estate development, manufacturing and trade.

The Symposium yielded excellent results. A number of potential investment partnerships have resulted from the Symposium. A Chinese business delegation with interests in motor vehicle sales and distribution, electronic products and real estate development visited Papua New Guinea and Fiji shortly after the Symposium, and other delegations with interest in the fisheries sector in Kiribati and Niue, the tourism sector and farming of black pearls in the Cook Islands, and the construction industry in Fiji and Vanuatu are planning to visit the region in 2011.

The Beijing Office has continued to follow up with attendees and has found that a number of Pacific Island operators have capitalised on opportunities initiated at the Symposium and are now trading directly with Chinese businesses.

THE OBJECTIVE OF THE SYMPOSIUM WAS TO FOSTER AWARENESS AND UNDERSTANDING BETWEEN THE PRIVATE SECTOR AND GOVERNMENT REPRESENTATIVES FROM PACIFIC ISLAND COUNTRIES AND THEIR CHINESE COUNTERPARTS.





PACIFIC ISLAND AGRICULTURE EXPORTS TO NEW ZEALAND

Pacific Islands Trade & Invest's Auckland Office spent much of 2010 working to change the landscape of agricultural exports to New Zealand. The Auckland Office is doing this through strategic partnerships with producer groups throughout the Pacific Islands and major importers in New Zealand.

FOOD TOURISM IS BECOMING INCREASINGLY POPULAR AMONGST INTERNATIONAL TRAVELLERS SEEKING AUTHENTIC FOOD EXPERIENCES IN THE COUNTRIES THEY VISIT.

In Tonga, the Auckland office is working in partnership with the public and private sector to improve commercial fresh produce exports. In 2010 an agreement was struck between Growers Commodities Marketing Group (GroCOM) – the agriculture exporting arm of the Growers Federation Inc. in Tonga – and one of the largest importers in New Zealand. Pacific Islands Trade & Invest provided tailored market advice to GroCOM and assisted the organisation with logo and packaging development.

Working with the Samoa Farmers Association, Pacific Islands Trade & Invest has facilitated agricultural exports from Samoa worth NZ \$56,150. With market access granted for the export of limes from Samoa and advancements in the country's fresh taro production, Pacific Islands Trade & Invest has successfully facilitated the export and reintroduction of taro into the New Zealand market. Pacific Islands Trade & Invest also assisted the Samoa Farmers Association with identifying a buyer and negotiating agreements for two supply contracts that secured regular fortnightly shipments of limes and fresh coconuts to New Zealand.

In partnership with a New Zealand importer, Pacific Islands Trade & Invest New Zealand facilitated an exhibition of Solomon Island wood exports at the 2010 Auckland Home Show. A contract to supply the Southern Hemisphere's largest hardware chain is currently in negotiation, subject only to supply capabilities.

Food tourism is becoming increasingly popular amongst international travellers seeking authentic food experiences in the countries they visit. The Auckland Office has been working with the team behind Me'a Kai: The Food and Flavours of the South Pacific (Robert Oliver, with Tracy Berno and Shiri Ram) to promote food tourism and greater use of Pacific Island ingredients in New Zealand cuisine. Pacific Islands Trade & Invest promoted Pacific Island ingredients to New Zealand's hospitality sector by introducing them, through Me'a Kai's cuisine, to our network of distributors. Three restaurants have now featured Pacific Island ingredients in their menus, Fiji's Air Pacific Inflight magazine has run a feature on food tourism, and the Government of Samoa has commenced a program to encourage the use of traditional foods and recipes by local restaurants and hotels.

We are proud to note that Me'a Kai has been named Best Cookbook in the World for 2010 at the Gourmand World Cookbook Awards.

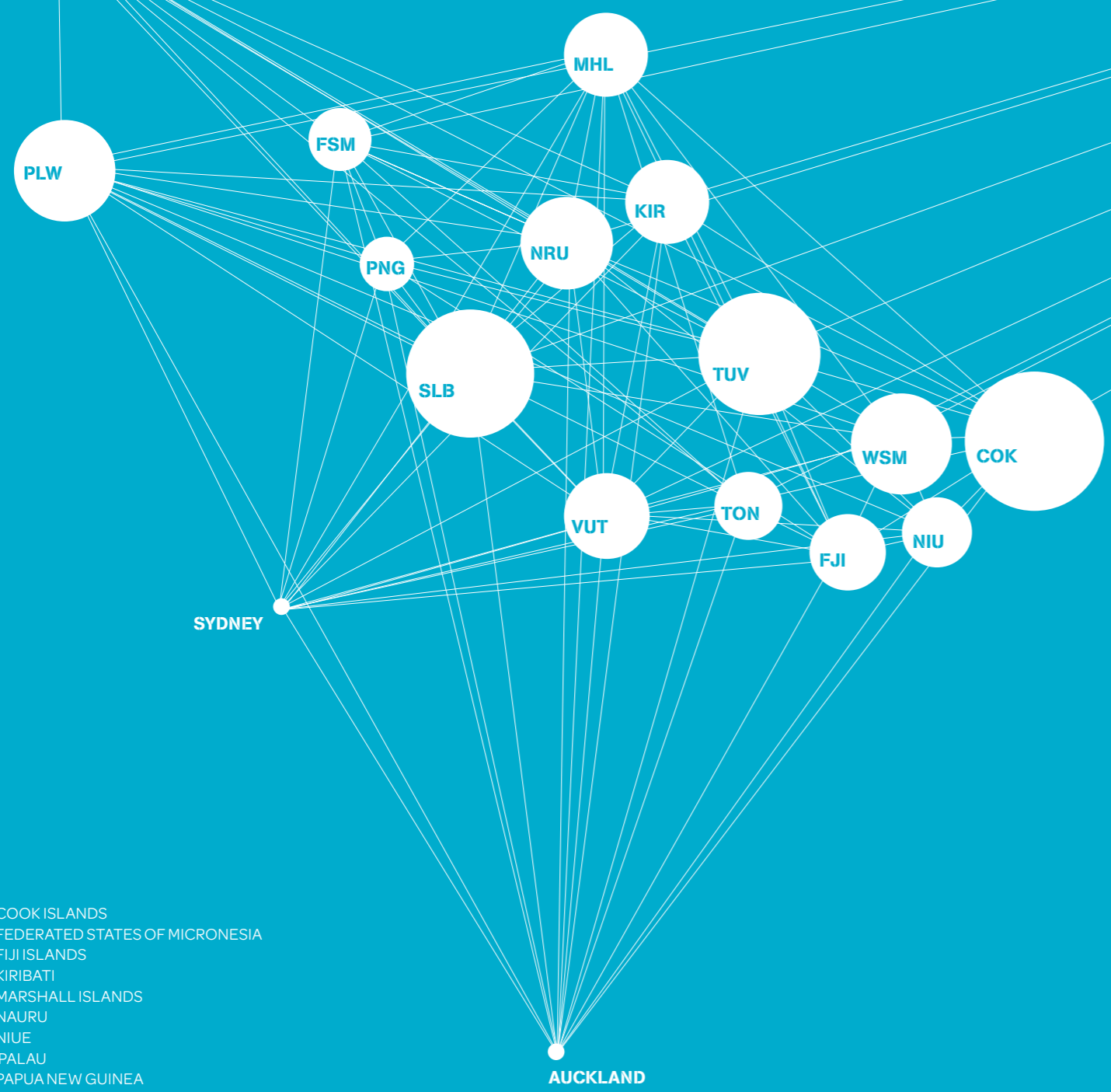


\$56

**(NZ \$THOUSANDS)
Worth of agricultural exports from Samoa**

TOKYO

BEIJING



CASE STUDIES

BY DEVELOPING THE EXPORT CAPACITY AND INVESTMENT POTENTIAL OF PACIFIC ISLAND BUSINESSES WE CONTRIBUTE TO A SUSTAINABLE ECONOMIC FUTURE FOR THE COMMUNITIES WE WORK WITH. IT IS SUCCESS STORIES LIKE THESE THAT SHAPE THE FUTURE OF BUSINESSES AND THE PEOPLE IN THE PACIFIC REGION.

- COK** COOK ISLANDS
- FSM** FEDERATED STATES OF MICRONESIA
- FJI** FIJI ISLANDS
- KIR** KIRIBATI
- MHL** MARSHALL ISLANDS
- NRU** NAURU
- NIU** NIUE
- PLW** PALAU
- PNG** PAPUA NEW GUINEA
- WSM** SAMOA
- SLB** SOLOMON ISLANDS
- TON** TONGA
- TUV** TUVALU
- VUT** VANUATU

**SURF SOLOMONS:
RIDING THE WAVE OF SUSTAINABLE TOURISM**

A UNIQUE SURF TOURISM BUSINESS IN THE SOLOMON ISLANDS IS PAVING THE WAY FOR A SUSTAINABLE BUSINESS MODEL THAT PROMISES TO DELIVER TOURIST DOLLARS AND BROADER INVESTMENT INTO THE REGION.

Surf Solomons offers community-based surf camps and holidays off the usual tourist path combined with the opportunity to visit remote village communities, stay with local families and experience traditional tribal life. The company's business is built on a joint-venture model that invites local entrepreneurs to partner with, own and manage community enterprises.

The community focus, environmental awareness and cultural integrity of Surf Solomons' operation captured the attention of Pacific Islands Trade & Invest during a visit to the region in late 2009. In search of operators that prioritised the community interests of the communities they worked in, Trade Commissioner, Caleb Jarvis, was particularly impressed with the cultural and social value that Surf Solomons have contributed to the Pacific Islands.

"Surf Solomons is a venture that not only provides great surfing holidays, but actively works towards social and economic improvement for local communities. We are now asking like-minded investors to grow this Solomon Islands business," said Mr Jarvis.

Since then, Pacific Islands Trade & Invest's Sydney Office has worked with Surf Solomons to increase their exposure in the surfing press and make introductions to potential investors from Australia and New Zealand in order to grow the business.

"Pacific Island Trade & Invest's genuine interest in our business model and activities has given insightful advice, an ally that we can bounce ideas off and more confidence in what we are doing. These types of partnerships are hard to find," said Director of Surf Solomons, Steve Francone.



SURF SOLOMONS IS A VENTURE THAT NOT ONLY PROVIDES GREAT SURFING HOLIDAYS, BUT ACTIVELY WORKS TOWARDS SOCIAL AND ECONOMIC IMPROVEMENT FOR LOCAL COMMUNITIES. WE ARE NOW ASKING LIKE-MINDED INVESTORS TO GROW THIS SOLOMON ISLANDS BUSINESS.

PACIFIC EDGE ADVENTURES: ANGLING UNCHARTERED WATERS IN THE PACIFIC ISLANDS

IN THE REMOTE REEFS AND ATOLLS OF THE SOUTH PACIFIC ISLANDS LIE SOME OF THE BEST GAME FISHING SPOTS IN THE WORLD AND AS PACIFIC ISLANDS TRADE & INVEST RECENTLY DISCOVERED, UNTAPPED TOURISM POTENTIAL.

The Pacific Islands is the perfect destination for unique adventure holidays for the experienced fisherman. Pacific Islands Trade & Invest's tourism promotion strategy has focused on marketing niche adventure holidays in the Pacific Islands to international travellers.

In alignment with this strategy the Sydney Office has partnered with the national tourism offices throughout the Pacific to develop packaged fishing holidays for the Australian market.

With the support of a dedicated website built by Pacific Islands Trade & Invest – www.pacificedgeadventures.com – and attendance at Australia's premier sport fishing expo, the Brisbane Tinnie and Tackle Show (in March 2009) combined with improvements to regional airline pricing and service; a steady stream of visitors are coming to the Pacific Islands on packaged fishing holidays.

"This collaborative approach is a great platform, especially for the smaller islands with limited marketing budgets. We look forward to more opportunities like this and to working with Pacific Islands Trade & Invest to grow Australian niche travel to our islands," said representative for the Marshall Islands, Ben Graham.



ISLAND BEEKEEPING SUPPLIES, SOLOMON ISLANDS

A PILOT PROJECT CONDUCTED BY PACIFIC ISLANDS TRADE & INVEST WITH THE SOLOMON ISLANDS SMALL MEDIUM ENTERPRISE COUNCIL IN 2008, HAS HELPED FACILITATE BANKING LOANS WORTH MORE THAN SBD \$2 MILLION TO SMALL-MEDIUM SIZED BUSINESSES IN THE REGION.

The 'SME Documentation Project' involved the development of 44 business proposals and loan submissions to banks in 2008. The project resulted in loans being granted to 21 businesses in the Solomon Islands, including Island Beekeeping Supplies, which received a SBD \$200,000 (approximately AUD \$50,000) loan from ANZ Bank.

Currently supporting more than 1,000 beekeepers across the Solomon Islands, Island Beekeeping Supplies acts as an intermediary between the producer and consumer, purchasing raw honey direct from the beekeepers and packaging it for sale to the local market. Through this arrangement the beekeepers receive a relatively higher than average income for the Solomon Islands.

The joint initiative between Pacific Islands Trade & Invest and SMEC has highlighted the importance of this level of support for SMEs in gaining access to finance.

"Without access to capital, businesses cannot grow because they need credit to buy inventory and equipment as well as to extend terms of trade with customers," said the Manager of Investment Promotion and Advisory Services for the Sydney Office of Pacific Islands Trade & Invest, Patrick Martin.

THIS COLLABORATIVE APPROACH (OF PACIFIC EDGE ADVENTURES) IS A GREAT PLATFORM, ESPECIALLY FOR THE SMALLER ISLANDS WITH LIMITED MARKETING BUDGETS.

BEN GRAHAM

CURRENTLY SUPPORTING MORE THAN 1,000 BEEKEEPERS ACROSS THE SOLOMON ISLANDS, ISLAND BEEKEEPING SUPPLIES ACTS AS AN INTERMEDIARY BETWEEN THE PRODUCER AND CONSUMER



BEEKEEPERS SUPPORTED ACROSS THE SOLOMON ISLANDS.

1,000



OUR ASSISTANCE HAS RANGED ACROSS AREAS INCLUDING FINANCING, JOINT-VENTURE PARTNERSHIPS, ENGINEERING PROCUREMENT AND CONSTRUCTION (EPC) CONTRACTS, LNG PURCHASING, SHIPPING AND MARKETING.

PNG LNG: LIQUEFIED NATURAL GAS PROJECT IN PAPUA NEW GUINEA

IN 2008, THE GOVERNMENT OF PAPUA NEW GUINEA (PNG) SIGNED A JOINT OPERATING AGREEMENT WITH AN EXXON MOBIL-LED CONSORTIUM TO COMMENCE WORK ON THE LARGEST INVESTMENT PROJECT UNDERTAKEN TO DATE IN THE PACIFIC ISLANDS, PNG LNG.

The PNG LNG project proposes to develop gas fields in the Southern Highlands and Western Province of PNG and transport the gas via pipeline to a Liquefied Natural Gas (LNG) facility near Port Moresby for shipment to overseas markets.

The project will provide energy for the Asia-Pacific region, jobs and a major boost to the PNG economy with earnings expected to more than double the country's GDP and triple export revenues.

Pacific Islands Trade & Invest's Tokyo Office (Pacific Islands Centre) has been actively engaged in the negotiation of agreements for joint-venture partnerships and the contracting of process plants, shipping service and LNG marketing since the contract was signed between Exxon Mobil and the PNG Government in March 2008.

"Our assistance has ranged across areas including financing, joint-venture partnerships, Engineering Procurement and Construction (EPC) contracts, LNG purchasing, shipping and marketing," said Trade Commissioner for Pacific Islands Trade & Invest's Tokyo Office, Mr Kanichiro Soma.

Through Pacific Islands Trade & Invest, more than USD \$0.9 billion of investments and several contracts for LNG purchase, construction of LNG plant and other facilities, and shipping transportation service have been coordinated for the successful negotiation between PNG LNG with Japanese companies.

PAPUA NEW GUINEA



0.9

MORE THAN USD \$0.9 BILLION OF INVESTMENTS AND SEVERAL CONTRACTS HAVE BEEN COORDINATED

THIS PROJECT (ÖMIE ARTISTS) FITS WITH OUR VISION TO FACILITATE INTERNATIONAL OPPORTUNITIES IN ORDER TO CREATE GREATER PROSPERITY FOR THE PEOPLE THROUGH MORE SUSTAINABLE COMMUNITIES.

RUTH CHOULAI

ÖMIE ARTISTS, PAPUA NEW GUINEA

PACIFIC ISLANDS TRADE & INVEST'S CREATIVE ARTS PROGRAM IS ASSISTING A GROUP OF ARTISTS FROM PAPUA NEW GUINEA TO PRESENT THEIR ART TO INTERNATIONAL ART BUYERS AND COLLECTORS IN COMMERCIAL GALLERY EXHIBITIONS.

Ömie Artists is a cooperative of tribeswomen from remote villages in the mountainous interior of Oro Province in Papua New Guinea who paint traditional ceremonial barkcloths. Now also produced for a high-end art market, the Ömie barkcloths are keenly sought after by international art institutions and private collectors.

In July 2010, Pacific Islands Trade & Invest supported Ömie Artists to organise an exhibition of their barkcloths for Canberra's exclusive Chapman Gallery. Creative Arts Manager for Pacific Islands Trade & Invest's Sydney Office, Ruth Choulai, worked closely with Ömie Artists' management to bring this special exhibition to Australia's national capital. Pacific Islands Trade & Invest provided financial support to cover the preparation costs of the barkcloths for exhibition mounting as well as for web advertising.

"This project fits with our vision of working together with Pacific Island businesses to facilitate international opportunities in order to create greater prosperity for the people through more sustainable communities", said Mrs Choulai.

International Representative of Ömie Artists, Brennan King, has implemented a 100% artist-owned cooperative business model similar to those used in indigenous Australian communities. This has seen greater financial returns for the artists, which in turn, has benefited their families, children and the wider community.

Ömie Artists looks forward to working with Pacific Islands Trade & Invest on another exciting exhibition of its emerging artists in 2011. The exhibition will showcase a new generation of talented painters at the long established Short St. Gallery in Western Australia.

BILUM: WEAVING NEW OPPORTUNITY FOR PAPUA NEW GUINEAN WOMEN

PACIFIC ISLANDS TRADE & INVEST IS HELPING TRANSFORM A PAPUA NEW GUINEAN TRADITION INTO ECONOMIC SUCCESS THROUGH THE INTERNATIONAL PROMOTION OF ONE OF IT'S ICONIC CREATIVE INDUSTRIES, BILUM.

For centuries, the skill of weaving bilum – a bag made from dried fibre extracted from tree bark, animal fur, sisal or vine – has been passed down from one generation of women to the next. Traditionally, bilum bags were used to carry babies, food or tools, but until recently their economic value to Papua New Guinean communities was overlooked.

Through incorporating materials such as wool and some synthetic materials into the weave, bilum has also been adapted for more modern applications including clothing and fashion accessories. Furthermore, the formation of the Bilum Weavers Cooperative in 2003 – a collective of female weavers in Goroka, Eastern Highlands Province, PNG – has enabled artisans to improve their economic and social situation, whilst at the same time preserving the tradition of indigenous crafts.

Pacific Islands Trade & Invest played an instrumental role in showcasing the creative arts of Papua New Guinea to global markets, through supporting the Cooperative with the launch of the inaugural Goroka Bilum Festival in 2009. Pacific Islands Trade & Invest developed a dedicated website, providing marketing and promotional advice and hosting key international guests to the event.

"The potential for bilum in the international market is only limited by access to the buying market – it is instant wearable art" said curator and lecturer at Whitecliffe College of Art and Design in New Zealand, Giles Peterson.

Based on the success of the 2009 event, Goroka Bilum Festival is planned to be an annual event.

THE POTENTIAL FOR BILUM IN THE INTERNATIONAL MARKET IS ONLY LIMITED BY ACCESS TO THE BUYING MARKET – IT IS INSTANT WEARABLE ART.

GILES PATERSON





SINCE THE 1990's TEWA CORPORATION, WITH THE SUPPORT OF PACIFIC ISLANDS TRADE & INVEST (PACIFIC ISLANDS CENTRE) HAS INVESTED IN THE TRAINING AND DEVELOPMENT OF I-KIRIBATI IN THE TRADITIONAL JAPANESE-STYLE OF SALT PRODUCTION.



KIRIBATI ISLANDS



CHRISTMAS ISLAND SALT EXPORTS FROM KIRIBATI TO JAPAN AND KOREA: NBK CORPORATION, TEWA CORPORATION AND TIMCO ASIA

INTRODUCTIONS MADE BY PACIFIC ISLANDS TRADE & INVEST BETWEEN NANYA BOEKI KAISHA (NBK) CORPORATION, TEWA CORPORATION AND TIMCO ASIA, HAVE ENABLED SALT EXPORTS FROM CHRISTMAS ISLAND IN KIRIBATI TO JAPAN AND KOREA.

As part of its role in promoting export-capable businesses from the Pacific Islands internationally, Pacific Islands Trade & Invest has facilitated the 'Pacific Islanders Club' – a free business network for Japanese companies with commercial interests in trade, investment and tourism with the Pacific Islands. Through this network, Pacific Islands Trade & Invest has been able to connect businesses such as NBK Corporation and Tewa Corporation.

Since the 1990's Tewa Corporation, with the support of Pacific Islands Trade & Invest (Pacific Islands Centre), has invested in the training and development of I-Kiribati in the traditional Japanese-style of salt production. Tewa Corporation has developed an export market from the Christmas Islands to Korea through trading company TIMCO Asia, with NBK Corporation acting as the intermediary dealer.

Also based in Japan, NBK Corporation Ltd. is a small, successful transportation agency that specialises in distribution promotion, consulting, import, export, and wholesale distribution.

As a long-time member of the Pacific Islanders Club, NBK started exporting salt from the Christmas Islands to Japan in cooperation with Tewa Corporation in the 1990's. At the time NBK was introduced to Kiribati Government officials through Pacific Islands Trade & Invest as part of the company's negotiations to act as an intermediary dealer between salt producers on Christmas Island through Tewa Corporation with Timco Asia.

Since then, NBK's annual salt exports from the Christmas Islands to major Japanese department stores and supermarkets including Mitsukoshi, Daiei, and Seiyu have grown to an average 60 tonnes per annum.

"In cooperation with Pacific Islands Centre, we are also planning to promote the export of salt and other products from Pacific Island countries, not only to Japan and Korea, but also to an exploding Asian market"

In supporting NBK's export activities, Pacific Islands Trade & Invest has also been working with the Japanese Government to negotiate a standing bilateral collaboration between Japan and the Republic of Kiribati.

60

SALT EXPORTS FROM THE CHRISTMAS ISLANDS TO MAJOR JAPANESE DEPARTMENT STORES HAVE GROWN TO AN AVERAGE 60 TONNES PER ANNUM.

EXPORTS GREW TO INCLUDE ADDITIONAL FRESH PRODUCE DELIVERIES TO KINOKUNIYA SUPERMARKET IN TOKYO DURING THE JAPANESE OFF-SEASON FOR SATO IMO BETWEEN MAY AND JULY.

LAU LAVA COMPANY, TONGA: SATO IMO EXPORTS TO JAPAN

THROUGH THE ASSISTANCE OF PACIFIC ISLANDS TRADE & INVEST, TONGA-BASED LAU LAVA CO. IS SUCCESSFULLY EXPORTING SATO IMO (JAPANESE TARO) TO JAPAN.

In 2006, Lau Lava Co. began exporting fresh Sato Imo to the Ikari supermarket in Japan's second-largest city, Osaka. Exports grew to include additional fresh produce deliveries to Kinokuniya supermarket in Tokyo during the Japanese off-season for Sato Imo between May and July; plus frozen orders to Toyota Tsusho in Nagoya and Iwatani Corporation in Kobe.

Pacific Islands Trade & Invest's Tokyo Office has been instrumental in connecting Lau Lava Co. with Japanese buyers through arranging in-country visits, trade show attendance, arranging in-market business meetings and continuing to serve as an intermediary between Lau Lava and Japanese buyers.

"Thanks to the support of Pacific Islands Trade & Invest we have been able to increase farming and volume of exports to Japan ten-fold year-on-year," said Director of Lau Lava Co., Mr Pousima Afeaki.

Lau Lava Co. anticipates that it will export 10 tonnes of fresh Sato Imo and a further 20 tonnes of frozen product worth in excess of USD \$300,000 to its Japanese customers in 2010.



LAU LAVA CO. ANTICIPATES THAT IT WILL EXPORT 10 TONNES OF FRESH SATO IMO AND A FURTHER 20 TONNES OF FROZEN PRODUCT TO ITS JAPANESE CUSTOMERS IN 2010.



SSS INTERNATIONAL HOTEL (FIJI) LTD.

WITH SUPPORT OF PACIFIC ISLANDS TRADE & INVEST, THE SSS INTERNATIONAL HOTEL (FIJI) LTD IS DUE TO OPEN IN LATE 2010 AFTER A FIVE-YEAR FOREIGN INVESTMENT APPROVAL PROCESS.

Negotiations on the USD \$20 million hotel development were at risk of collapsing after a series of holdups and political instability resulting from the 2006 military coup.

Envisaged as a luxury getaway for Chinese travellers, the integrated hotel accommodation and restaurant facility in Nadi is the vision of the President and Chairman of the Suzhou Youth Travel Services (SYTS) Co. Ltd, Mr Guan Minghua.

SYTS was granted a Foreign Investment Certificate in 2005 subject to the project's implementation within 12 months. The company was also granted a series of tourism-related incentives by the Ministry of Tourism.

2009 SAW THE ISSUING OF ZONING APPROVAL FROM THE DEPARTMENT OF TOWN AND COUNTRY PLANNING AND THE OFFICIAL GREEN LIGHT FOR CONSTRUCTION.

Despite two extensions being granted to the Foreign Investment Certificate, the project stalled for a number of reasons, including the military coup in 2006, until Pacific Islands Trade & Invest became involved in 2008.

On learning of the project, Pacific Islands Trade & Invest's Beijing Office (Pacific Islands Forum Trade Office), initiated a meeting with Mr Minghua and representatives of hotel management company, SSS International. As an outcome of this meeting, the Foreign Investment Certificate was extended again and an action plan made to resolve other outstanding issues related to approval processes for the hotel building, property rezoning and associated infrastructure plans.



Over the next eight months, Pacific Islands Trade & Invest's Beijing Office remained proactively engaged in the project acting as a liaison between SYTS, the FTIB and respective stakeholders including Nadi Town Council, the Reserve Bank of Fiji and numerous other government agencies, to facilitate the necessary approvals and move the project to construction stage.

As a direct result of these meetings and continued correspondence, January 2009 saw the issuing of zoning approval from the Department of Town and Country Planning and the official green light for construction.



AT THE HEART OF PACIFIC ISLANDS TRADE & INVEST'S STAKEHOLDER ENGAGEMENT STRATEGY IS A COMMITMENT TO CONSULTATION AND COLLABORATION.

Through effective engagement with stakeholders including exporters, investors, partners and supporters, Pacific Islands Trade & Invest is able to play an important role in making connections that create sustainable development outcomes.

On all country missions, our Trade Officers endeavour to arrange focus group meetings and consultations with stakeholders, but to date they have not necessarily engaged with host governments. We are committed to improving feedback and consultation with governments as well as private sector stakeholders, and will be working hard to improve our service to government in the coming year.

Pacific Islands Trade & Invest will continue to work closely with regional organisations and key stakeholders – the Pacific Islands Private Sector Organisation (PIPSO), the South Pacific Tourism Organisation (SPTO) and the Secretariat of the Pacific Community (SPC) – to improve development outcomes for private sector programs.

TABLE 1: SUMMARY OF IN-COUNTRY MISSIONS BY PT&I OFFICES

MONTH	LOCATION	ACTIVITY	OFFICE
Jan	Auckland, New Zealand	Performance management system installation and training, Auckland Office	SYD
Feb	Vanuatu	Client acquisition	SYD
	Adelaide, Australia	Business meetings	SYD
	Samoa	TIDES Conference - Tourism/ investment opportunities	SYD
	Tokyo, Japan	44th Supermarket Trade Show	TOK
	Tokyo, Japan	22nd Pacific Islanders Club Meeting	TOK
Mar	Auckland, New Zealand	WAIPA/ NZ Investment Conference/ Infrastructure	SYD
	ACT, Australia	Australian Bureau of Agricultural and Resource Economics Conference	SYD
	Vanuatu	Pacific Islands Women and Trade Workshop (International Trade Centre)	SYD
	Melbourne, Australia	Business meetings – Lonely Planet/ Outline of online tourism initiative	SYD
	Brisbane, Australia	Tinnie & Tackle Show trade show/ tourism operators and wholesalers, Brisbane Fishing Show and Pacific Exhibition	SYD
	Papua New Guinea	Bilum sourcing and facilitation	SYD
	New Zealand	Hosted incoming trade mission from Vanuatu	AUCK
Apr	Beijing, China	1st China-Pacific Island Country Forum on Eco-tech Cooperation	BEI
	Tokyo, Japan	Marine Diving Fair 2010	TOK
	Tokyo, Japan	Special Seminar on Liberty Academy Curriculum with Meiji University	TOK
	Tokyo, Japan	1st Conference on PEC funds	TOK
	Fiji	Meeting with SPTO re Lonely Planet campaign planning	SYD
	Brisbane, Australia	Business meetings with regional investment promotion agencies	SYD
	FSM, Pohnpei	Forum Trade Ministers' Meeting	AUCK, SYD
	FSM, Republic of Marshall Islands	Business meetings and consultations	AUCK, SYD
May	Melbourne, Australia	Customer/distributor/ importer acquisition	SYD
	Brisbane, Australia	Visit to Wotif – Pacific Plans	SYD
	Brisbane, Australia	26th Australian-PNG Business Forum	SYD
	PNG	Client Sales Trip – Santo Meat Producers (Toru Mochizuhi)	SYD
	Shanghai, China	Shanghai World Expo 2010	BEI
	Shanghai, China	World Travel Fair	BEI
	Fiji	University of the South Pacific – HANDAN Confucius Institute	BEI

PNG = Papua New Guinea
 FSM = Federated States of Micronesia
 AUCK = Auckland Office
 BEI = Beijing Office
 TOK = Tokyo Office
 SYD = Sydney Office

MONTH	LOCATION	ACTIVITY	OFFICE
	Samoa	Exploratory business meetings with Chinese investors	AUCK
	Tokyo, Japan	3rd Pacific Islanders Club Meeting	TOK
Jun	Fiji	PIPSO Conference/Client acquisition maintenance/ Meeting with Yeas Cold Storage, TCF	SYD
	Brisbane, Australia	Australian-PNG/Fiji/Pacific Islands Business Council Meetings	SYD
	Solomon Islands	Investment Meetings/Tropic Helicopters investment visit	SYD
	Melbourne, Australia	Lonely Planet meeting	SYD
	New Zealand	Hosted incoming trade mission from Samoa	AUCK
	Shanghai, China	Pacific Destinations Tourism Seminar (Beijing regional wholesalers)	BEI
	Fiji	PIPSO AGM and EU PACREIP Workshop	BEI
Jul	Canberra, Australia	Ömie Artists Exhibition – Assistance in preparation and installation of art works	SYD
	Melbourne, Australia	Solomon Islands Timber Mission	SYD
	Melbourne, Australia	Timber Exporters Mission – Touchwood Investment	SYD
	PNG	George Fetting Photographer – Pacific Islands Trade & Invest image library	SYD
	Samoa	Buyer Mission	AUCK
	Tokyo, Japan	2nd Pacific Islands Symposium	TOK
	Shanghai, Zhejiang, Jiangsu Province	China-FICs Trade & Investment Symposium	PIFS & PIF TO BEI
Aug	Melbourne/ Brisbane, Australia	Client acquisition – Foods Pacific	SYD
	Vanuatu	Client Acquisition – ProInvest Conference/Meeting with National Tourism Office	SYD
	Sydney, Australia	Organic Expo & Green Show	SYD
	Fiji	Regional meeting – Potential GI products	SYD
	Australia	Organic Expo & Green Show International	AUCK
	Tokyo, Japan	No-41 Asia-Pacific Parliament Union Meeting	TOK
	Shangdong Province, China	1st Island Economic Forum	BEI
	Shanghai, China	Pacific Destinations Tourism Seminar (Guangzhou & Shanghai Regional Wholesalers)	BEI
	Henan Province, China	6th China Henan Province Trade & Investment Expo	BEI
Sep	Melbourne, Australia	Mel Fishing Expo/Tourism wholesalers and specialist water based tourism operators	SYD
	Shanghai, China	World Export Development Forum	AUCK
	Auckland, New Zealand	Pacific Islands Trade & Invest together with International Trade Centre – Seminar on Strengthening Trade Opportunities for Pacific Women in Business	AUCK

MONTH	LOCATION	ACTIVITY	OFFICE
Sep (cont'd)	Tokyo, Japan	1st Seminar on the Security Measures for Japan-PNG Companies	TOK
	Japan	Symposium "Closer Partnership between Pacific Island Countries & Japan"	TOK
	Japan	JATA World Travel Fair	TOK
	Fujian Province, China	14th China International Trade & Investment Fair	BEI
Oct	Tonga	Pasifiki Trade Fair	SYD
	Palau/ Guam	Investment and tourism meetings/ Specialist national tourism office/ Investment Promotion Authority	SYD
	Brisbane, Australia	Solomon Islands Business Council	SYD
	Japan	Pacific Islands Festa	TOK
	Japan	Supermarket Trade Show	TOK
	Japan	2nd Conference on Specific fund of Japanese Government for environmental measure in Pacific Islands (PEC Fund) with Japanese Companies	TOK
Nov	Melbourne, Australia	Client acquisition/International Sourcing Fair/Fiji TCF/Ranjit Garments/Jacks Handicraft	SYD
	Brisbane, Australia	Business Council Meetings	SYD
	PNG	Client Acquisition	SYD
	Fiji	SPC-FACT Technical Advisory Group Meeting	AUCK
	Cook Islands	1st Seminar of Japan-Polynesian Tourism Promotion Campaign	TOK
	Japan	3rd "Visit Pacific Forum" Meeting	TOK
	Japan	4th Pacific Islanders Club Meeting	TOK
	Beijing, China	2nd China Overseas Investment Fair	BEI
	Shanghai, China	China International Tourism Mart	BEI
Dec	Beijing, China	Installation of performance management system and staff training	SYD
	PNG	Marketi Ples – Exhibitors preparation and government agency support network for Marketi Ples	SYD
	Fiji	2010 wrap up meetings with exporters and project partners	AUCK
	Samoa	2010 wrap up meetings with exporters and project partners	AUCK
	Beijing, China	3rd Asia Fortune Forum	BEI

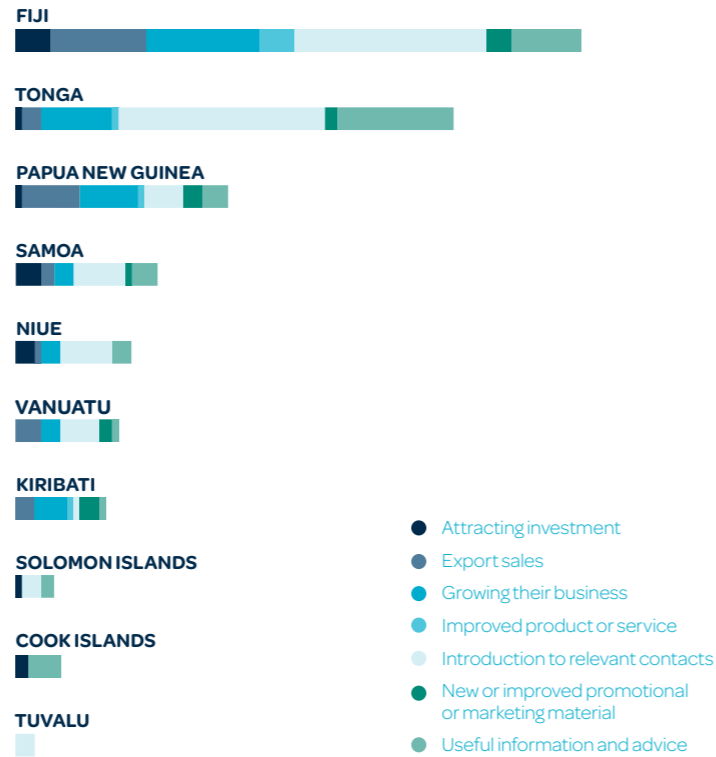
PACIFIC ISLANDS TRADE & INVEST IS COMMITTED TO DELIVERING TANGIBLE OUTCOMES FOR PACIFIC ISLAND BUSINESSES.

Our performance is assessed both by the clients we service and our stakeholders including government Ministers and leaders of the Pacific Islands Forum, development partners and Pacific Island government agencies.

To strengthen our performance and measurement, Pacific Islands Trade & Invest has introduced a customer relationship management system (CRM) in three of our four offices. The CRM provides performance metrics including the number of services provided and value of businesses written per country via a cloud server accessible by our Beijing, Auckland and Sydney offices.

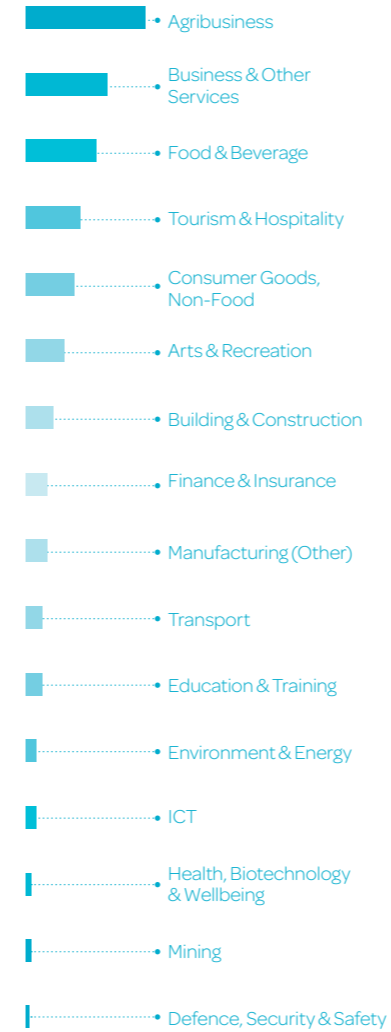
With a focus on improving our performance reporting, Pacific Islands Trade & Invest has consolidated quantitative information from each office, providing a high-level overview of performance alongside individual office performance benchmarking reports. This provides an assessment of performance improvement as well as a rough quantitative cost-benefit analysis for the benefit of development partners.

KEY OUTCOMES

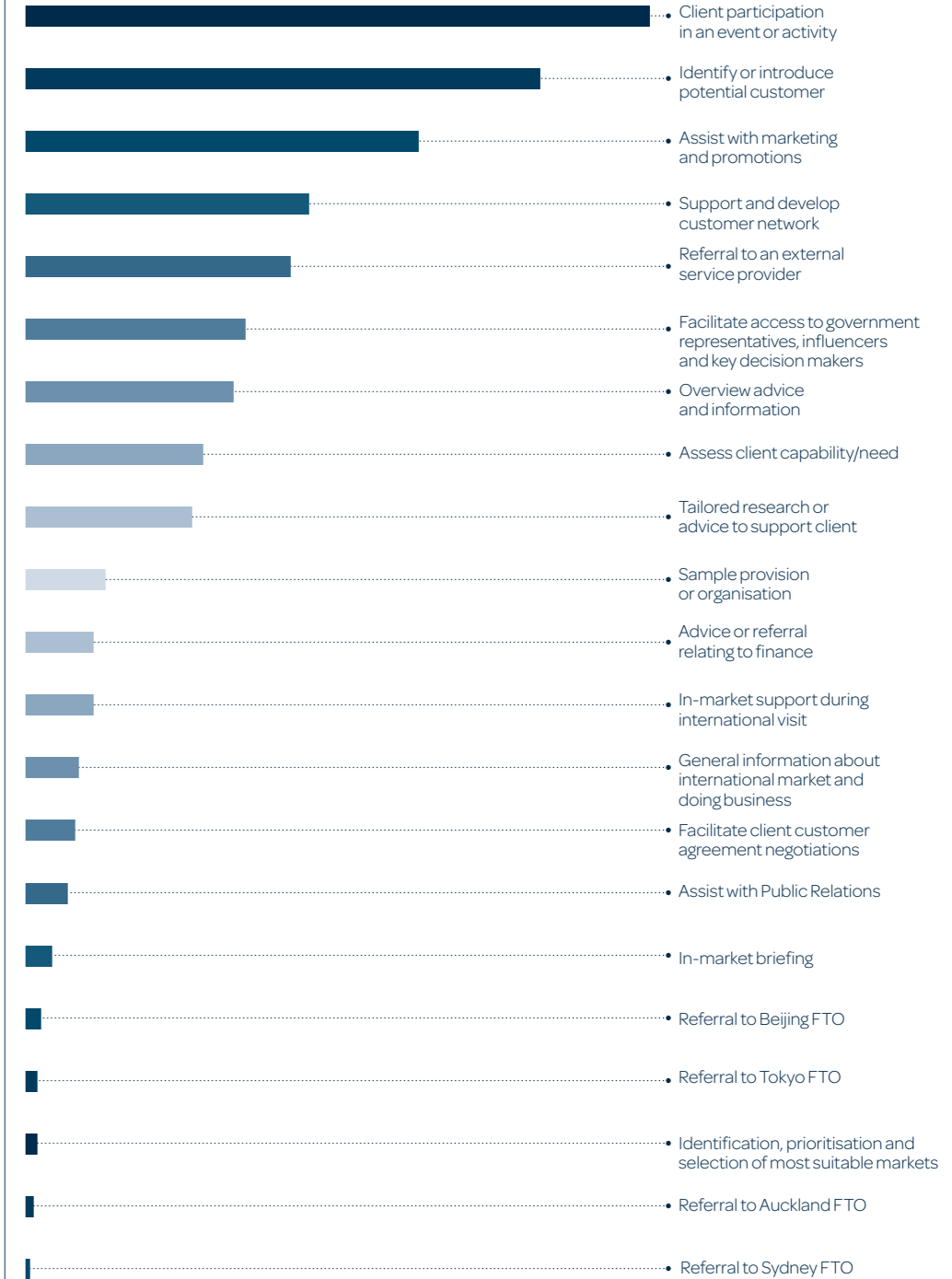


INDUSTRY SECTORS

Pacific Islands Trade & Invest has worked with 3253 businesses across a number of sectors as presented in the following.



SERVICE OFFERINGS



SELECTED FINANCIAL HIGHLIGHTS

1 GOODS EXPORTS FACILITATED (EX CREATIVE ARTS)

COUNTRY	AMOUNT (USD \$)
Papua New Guinea	\$2,694,600
Vanuatu	\$2,156,279
Tonga	\$1,323,432
Fiji	\$747,346
Kiribati	\$489,002
TOTAL	\$7,410,659

2 CREATIVE ARTS EXPORTS FACILITATED

COUNTRY	AMOUNT (USD \$)
Papua New Guinea	\$123,807
Fiji	\$7,305
Vanuatu	\$161
TOTAL	\$131,273

3 SERVICES EXPORTS FACILITATED

COUNTRY	AMOUNT (USD \$)
Kiribati	\$488,816
Vanuatu	\$10,742
TOTAL	\$499,558

4 INVESTMENT FACILITATED

COUNTRY	AMOUNT (USD \$)
Tonga	\$1,015,660
Solomon Islands	\$913,628
Cook Islands	\$839,719
Samoa	\$439,845
Niue	\$199,930
Papua New Guinea	\$107,485
TOTAL	\$3,516,267

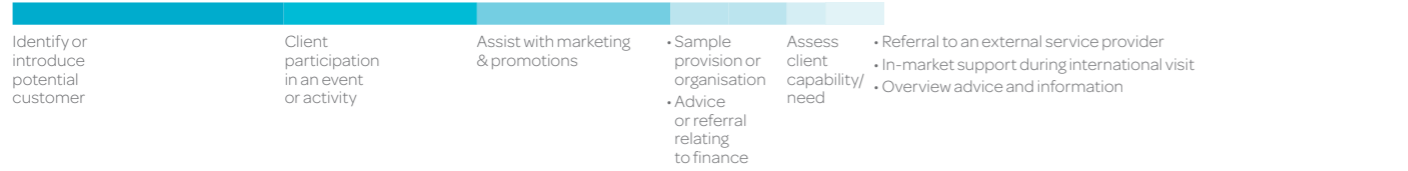
GRAND TOTAL

3253

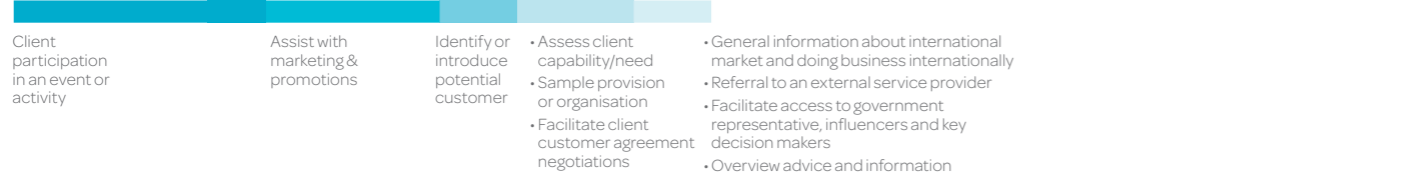
GRAND TOTAL

869

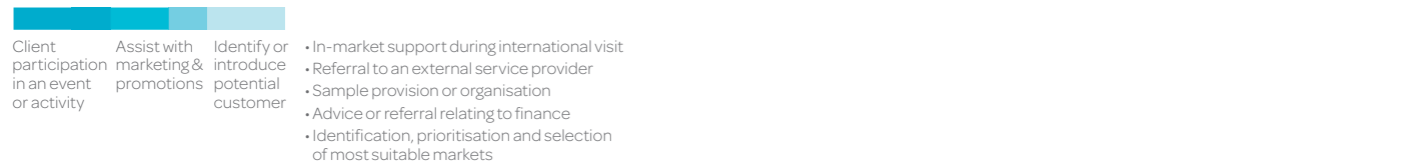
FIJI



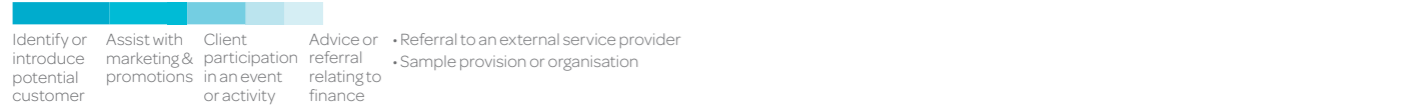
PAPUA NEW GUINEA



VANUATU



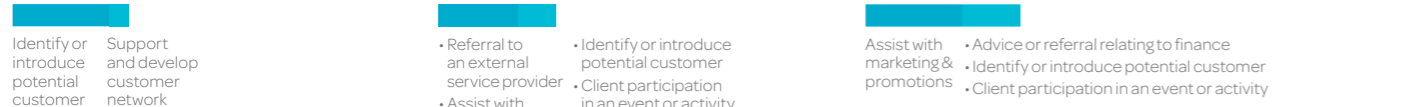
TONGA



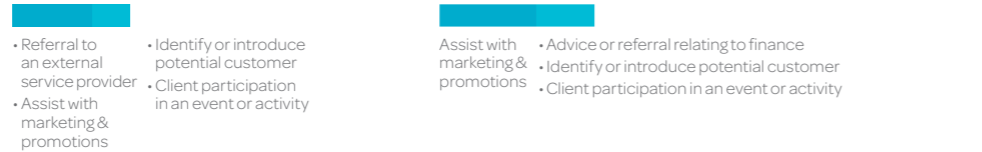
SOLOMON ISLANDS



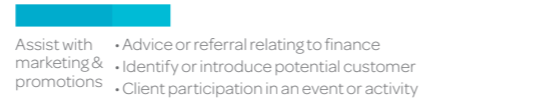
FEDERATED STATES OF MICRONESIA



COOK ISLANDS



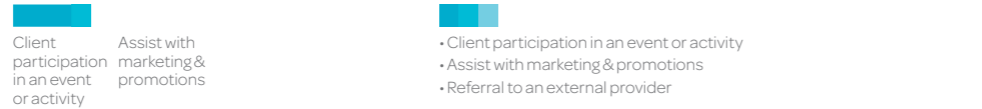
KIRIBATI



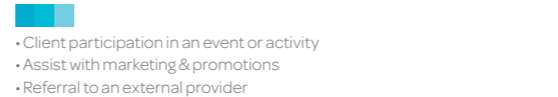
NIUE



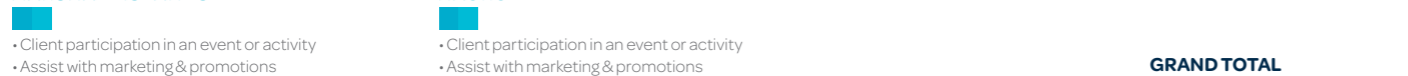
SAMOA



TUVALU



MARSHALL ISLANDS



NAURU



PALAU



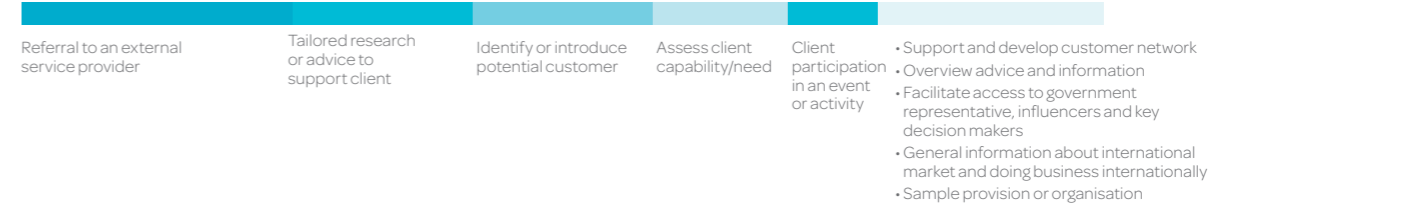
GRAND TOTAL OF SERVICE OFFERINGS

307

TONGA



FIJI



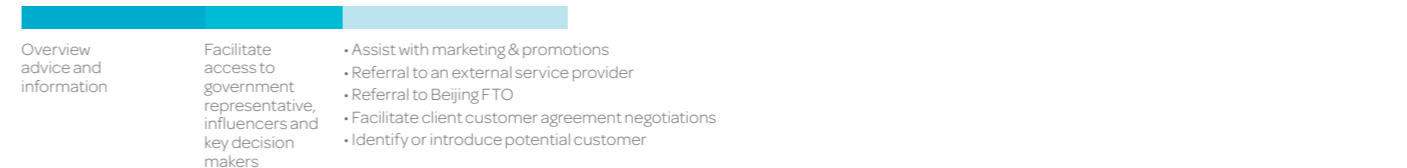
SAMOA



VANUATU



COOK ISLANDS



NIUE



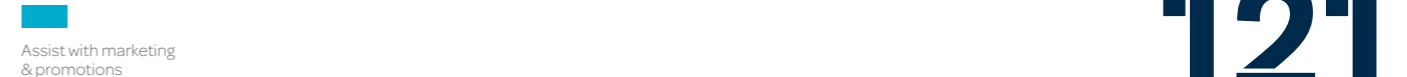
SOLOMON ISLANDS



PAPUA NEW GUINEA



TUVALU



GRAND TOTAL OF SERVICE OFFERINGS

121

FIGURE 1: INQUIRIES BY COUNTRY 2010

In 2010, our Beijing office responded to 96 trade enquiries from individuals, entrepreneurs and businesses based in the Pacific Islands and China. With the exception of Palau, all Pacific Island Forum countries utilised services offered by the office. Requests from Samoa and Fiji accounted for nearly half (44%) of the total enquiries received by the office.

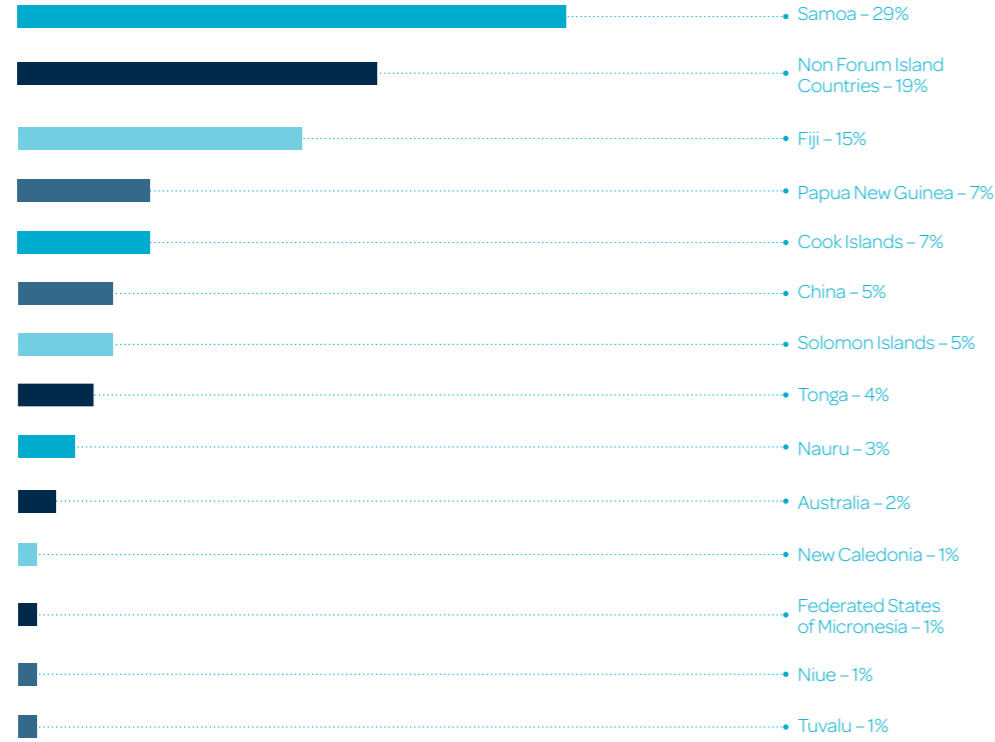
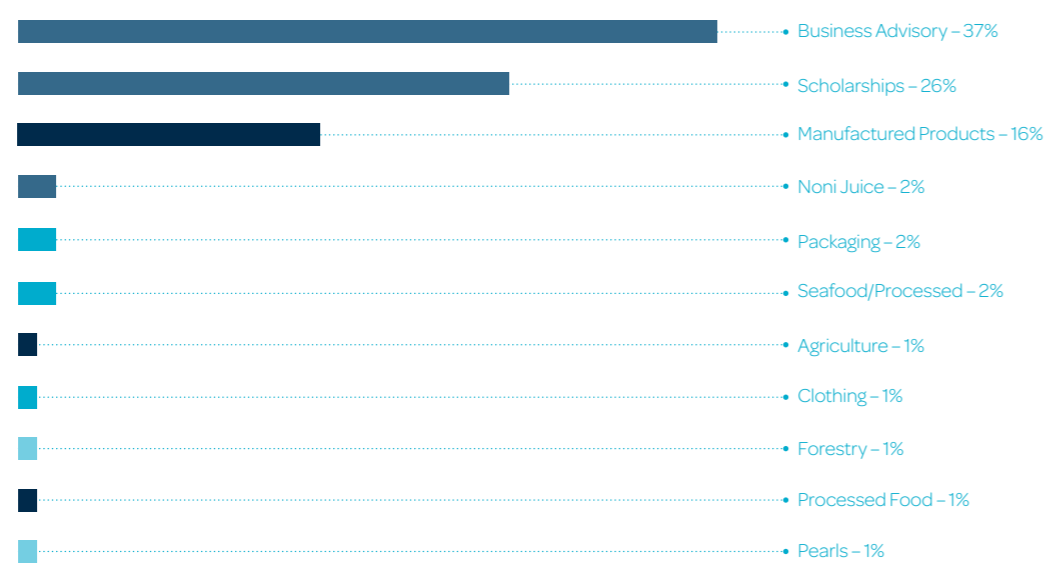


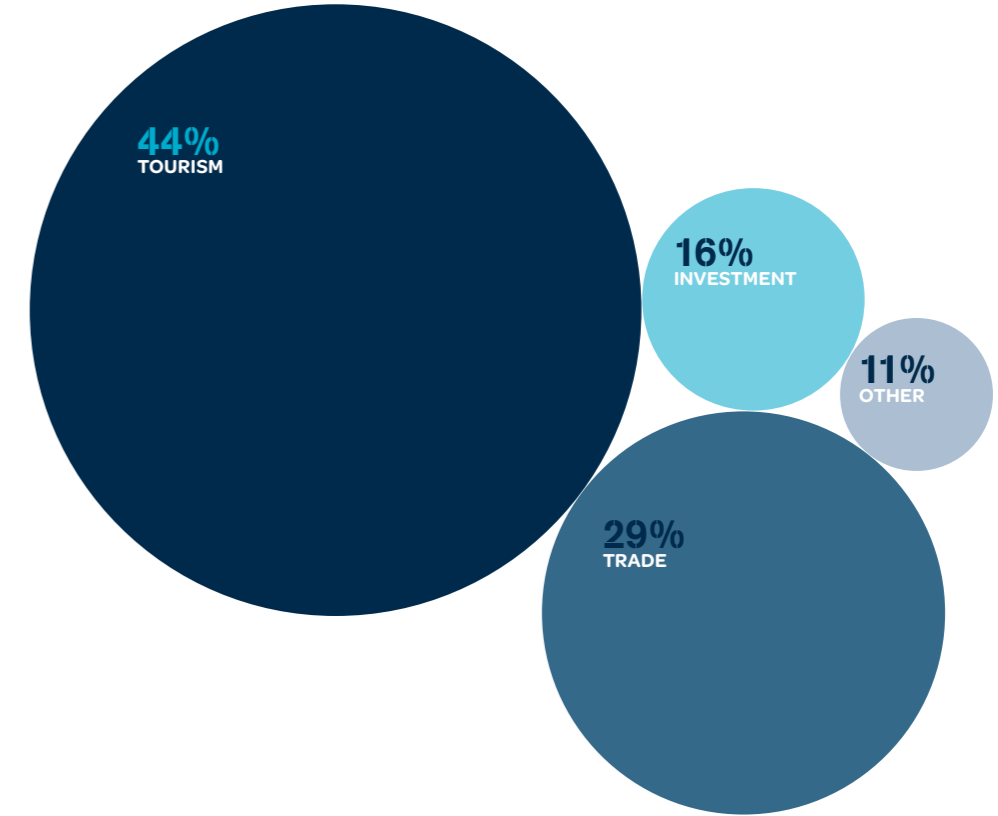
FIGURE 2: INQUIRIES BY SECTOR 2010

53% of enquiries were requests for business advice and information related to manufactured products. Enquiries related to the business advisory sector included requests for company credit ratings, trade regulations information in China, marketing information and requests for assistance in coordinating business trips to China. Most of the enquiries for manufactured products were from buyers in the Pacific Islands seeking suppliers in China. There were also a high number of requests for information on the availability of Pacific Islands Forum-China scholarships, accounting for 36% of the total enquiries made during 2010.



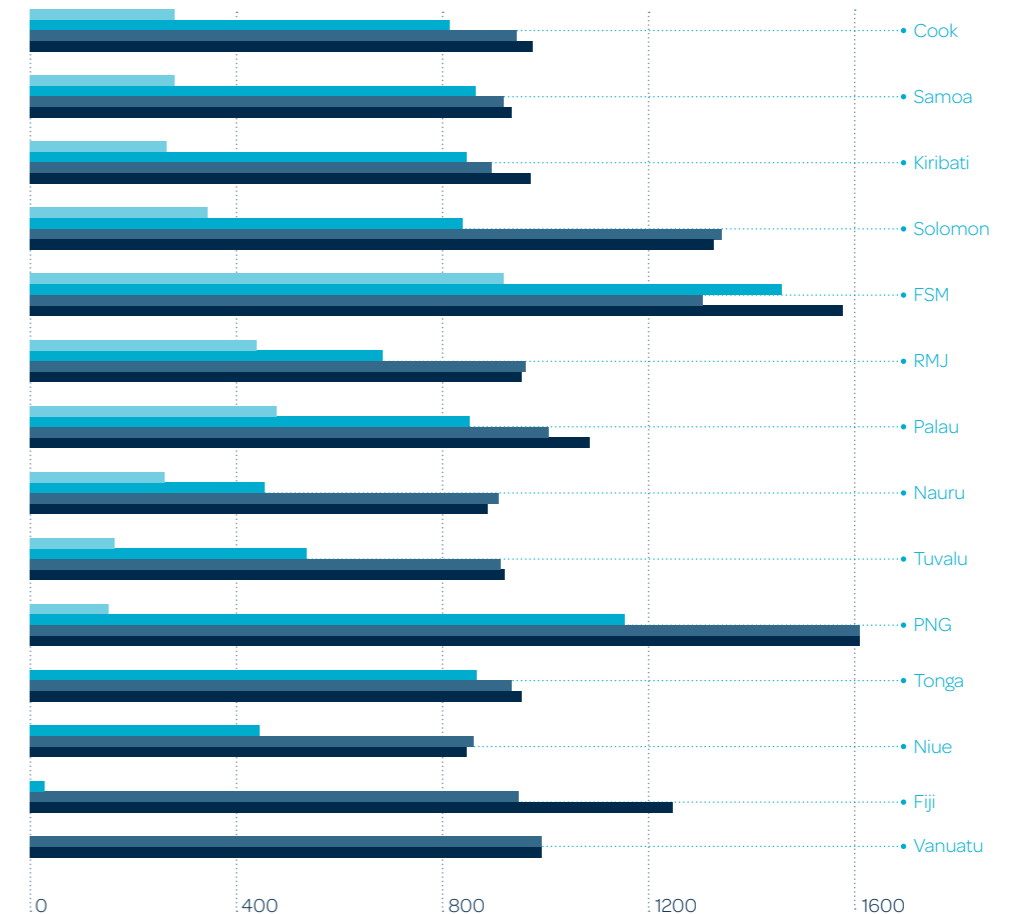
DIFFERENCE OF VISITORS DEPENDING ON TRADE/ TOURISM

In 2010, 44% of total enquiries to the Tokyo office were requests for business advice and information related to Pacific Island tourism, followed by trade (29%) and investment (16%).



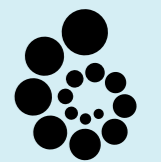
DISTRIBUTIONS OF PIC GUIDEBOOK FOR EACH COUNTRY

The Tokyo Office has distributed guidebooks about member countries. The guidebooks have proven to be a useful information resource about Pacific Island countries for travellers, travel agents and airline companies.



FINANCIAL STATEMENTS

SYDNEY 36 IN THE INTERESTS OF OUR STAKEHOLDERS AND
AUCKLAND 39 DEVELOPMENT PARTNERS, PACIFIC ISLANDS
BEIJING 42 TRADE & INVEST PROVIDES AUDITED FINANCIAL
TOKYO 44 STATEMENTS FROM EACH OF OUR OFFICES. THIS
ENSURES THE CREDIBILITY AND TRANSPARENCY
OF OUR FINANCIAL MANAGEMENT AND
ACCOUNTING SYSTEMS. INDEPENDENT AUDITS
HAVE BEEN PERFORMED ON THE FINANCIAL
PERFORMANCE OF EACH OFFICE, AS DISCLOSED
IN THIS DOCUMENT.





INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial report, being a special purpose financial report, of Pacific Islands Trade & Investment Commission, which comprises the statement of financial position as at 31 December 2010, and the statement of comprehensive income, revenue and expenditure.

The Commission's management is responsible for the preparation and fair presentation of the financial report and also designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances.

The Forum Secretariat and the Government of Australia have determined that the accounting policies used and described in Note 1(a) to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the needs of the Secretary General. We have conducted an independent audit of the financial statements in order to express an opinion on them to the Secretary General of the Pacific Islands Forum Secretariat on their preparation and presentation.

The financial report has been prepared for distribution to the Secretary General for the purpose of fulfilling the requirements of the financial regulations of the Commission. We disclaim any assumption of responsibility for any reliance on this report, or on the financial report to which it relates to any person other than the Secretary General, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements to audit

engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Commission, as well as evaluating the overall presentation of the financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the basis of accounting described in Note 1(a), to the financial report. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

AUDIT OPINION

In our opinion, the financial report of Pacific Islands Trade & Investment Commission are properly drawn up:

- a) so as to give a true and fair view, in accordance with the accounting policies described in Note 1(a) to the financial statements;
- b) in accordance with applicable Accounting Standards. Other Accounting Standards have only been applied to the extent described in Note 1(a) to the financial statements; and
- c) in accordance with the provisions of the financial regulations, dated 31 October 1994.

Mark Schiliro, Director
MNSA PTY, LIMITED
Chartered Accountants

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

Currency:
AUD \$

	2010	2009
CURRENT ASSETS		
Cash	56,287	4,324
Term deposit	-	246,750
Receivables	5,250	83,358
Prepayments	3,783	3,823
Bond for 171 Clarence Street	32,594	-
Other investment	6,600	-
Total current assets	104,514	338,255
NON-CURRENT ASSETS		
Property, plant & equipment	112,967	129,595
Non-current asset (Bond for 171 Clarence Street)	-	32,594
Total non-current assets	217,481	500,444
CURRENT LIABILITIES		
Creditors and accruals	64,874	21,413
Provisions	14,214	18,950
Total current liabilities	79,088	40,363
TOTAL LIABILITIES	79,088	40,363
NET ASSETS	138,393	460,081
ACCUMULATED FUNDS		
Retained profits	138,393	460,081
Total accumulated funds	138,393	460,081

Currency:
AUD \$

	Approved 2010 Budget	Over/(Under) Expenditure	2010 Actual	2009 Actual
I. OPERATING REVENUE				
Government grants & funding			1,535,790	1,250,000
Interest received or due and receivable			26,040	19,281
Other			12,342	-
TOTAL OPERATING REVENUE			1,574,172	1,269,281
II. OPERATING EXPENDITURE				
1. Capital				
Office furniture, computer equipment fittings and motor vehicles	-	11,008	11,008	85,590
Subtotal	-	11,008	11,008	85,590
2. Personnel Emoluments				
Personnel emoluments	700,000	112,304	812,304	668,469
Subtotal	700,000	112,304	812,304	668,469
3. Administration				
Computer expenses (in. It ad)	16,500	(4,709)	11,791	11,474
Consulting	5,000	(236)	4,764	24,955
Depreciation	-	27,636	27,636	36,501
Incidentals and legal	8,500	(3,242)	5,258	4,176
Insurances	11,000	570	11,570	7,193
Loss on disposal of assets	-	-	-	2,866
Workshop and conference	10,000	(4,312)	5,688	16,924
Office maintenance	4,500	46	4,546	3,949
Office supplies	10,550	(375)	10,175	16,316
Postage and freight	4,000	(11)	3,989	4,844
Printing and stationary	12,2000	(239)	11,961	10,594
Rent	134,000	4,082	138,082	120,687
Telephone, cable, telex and fax	28,500	(32)	28,468	22,425
Utilities	4,000	21	4,021	2,626
Miscellaneous	46,500	4,073	50,573	17,452
3.1 Auditing and financial charges				
Audit and accounting	6,500	9,724	16,224	16,486
Bank charges	5,500	(1,033)	4,467	955
Subtotal	307,250	31,963	339,213	320,423
4. Work Programme				
4.1. Core grant expenditure				
Exporter services	30,000	(309)	29,691	37,057
Creative arts	20,000	(4,606)	15,394	-
Investment promotion and advisory	30,000	1,232	31,232	21,953
Tourism promotion development	30,000	(1,839)	28,161	18,621
Knowledge and information management	25,000	(4,817)	20,183	33,465
Promotion – PIFS	285,000	(50,361)	234,639	-
4.2. Travel and transport				
Vehicle running expenses	11,500	45	11,545	15,690
Duty travel (Australia & FICS)	131,000	(1019)	129,981	132,011
Subtotal	562,500	(61,674)	500,826	258,797
TOTAL OPERATING EXPENDITURE			1,663,351	1,333,279



INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements of Pacific Islands Trade and Investment Commission (NZ) on pages 40-41, which comprise the statement of financial position as at 31 December 2010, and the statement of financial performance, statement of movements in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Form Secretariat, as a body. Our audit has been undertaken so that we might state to the Forum Secretariat those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Forum Secretariat, as a body, for our audit work, for this report, or for the opinions we have formed.

TRADE COMMISSIONER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Trade Commissioner is responsible for the preparation and fair presentation of financial statements, in accordance with generally accepted accounting practice in New Zealand, and for such internal control as the Trade Commissioner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITIES

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor, we have no relationship with or interests in Pacific Islands Trade and Investment Commission (NZ).

OPINION

In our opinion, the financial statements on pages 40 to 41:

- comply with generally accepted accounting practice in New Zealand; and
- present fairly, in all material respects, the financial position of Pacific Islands Trade and Investment Commission (NZ) as at 31 December 2010, and its financial performance and cash flows for the year ended on that date.

Chartered Accountants
2 August 2011
Auckland, New Zealand

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010		
	2010	2009
EQUITY		
Retained earnings	181,670	192,286
Represented by:		
CURRENT ASSETS		
Westpac Bank – Cheque a/c	-	6,975
Westpac Bank – Ready access	-	-
ANZ – Project a/c	21,398	-
ANZ – Online a/c	112,980	-
ANZ – Operational a/c	30,224	-
Petty cash	304	300
Accounts receivable	2	2
Prepayments	6,111	818
	171,019	8,095
CURRENT LIABILITIES		
Westpac Bank – Grants a/c	-	2,216
Accounts payable	10,050	1,723
Westpac Mastercard	-	2,576
ANZ Creditcard	7,555	-
Audit fees accrual	5,000	5,000
Holiday pay accrual	35,322	13,665
Total current liabilities	57,927	25,180
WORKING CAPITAL	113,092	140,554
NON-CURRENT ASSETS		
Plant and Equipment	68,578	51,732
	181,670	192,286

Currency:
NZ \$

Currency:
NZ \$

	2010	2009
INCOME		
NZ Government grants	889,973	889,000
Other income	20,329	320
Interest received	8,069	12,093
Total income	918,371	901,413
EXPENSES		
Accountancy	23,281	14,850
Advertising & promotion	-	4,327
Audit fees	5,551	4,500
Bank charges	1,488	390
Cleaning	5,481	4,580
Computer maintenance	14,400	1,165
Computer software	5,871	1,575
Consultancy	2,563	1,516
Depreciation office furniture & equipment	20,621	12,626
Depreciation motor vehicles	8,188	12,794
Loss on disposal	1,675	-
Electricity	3,456	2,887
Freight, courier & postages	1,230	1,155
General expenses	778	1,000
Hospitality & entitlement	9,861	6,433
Insurance – general	2,714	2,674
Insurance – travel	1,906	1,494
Interest – equipment finance	-	196
Legal costs	150	220
Photocopier	5,180	5,202
Publications	685	1,571
Public relations	-	5,754
Rent	66,034	65,912
Repairs – premises	4,974	948
Roundtable meetings	-	5,544
Salaries & wages	442,700	464,693
Security	1,315	1,687
Staff training & education	9,279	9,944
Stationery, printing etc	10,340	5,372
Subscriptions & fees	6,204	4,868
Sundry expenses	3,592	5,744
Telecommunications	16,972	13,485
Travel – local	16,288	11,047
Travel – overseas	49,167	44,279
Vehicle – fuel & oil	4,156	2,988
Vehicle – insurance	1,703	1,276
Vehicle – servicing & repairs	3,956	3,259
Vehicle – sundry	513	1,910
Mileage/transport	563	1,549
Total expenses	752,835	731,414
PROJECT RELATED EXPENDITURE		
Pacific exporters help desk	13,589	-
Trade	-	72,116
Investment	31,055	76,928
Export marketing	93,331	-
Communication	38,177	37,084
Tourism	-	34,886
Total project related expenditure	176,152	221,014
NET SURPLUS/(DEFICIT)	(10,616)	(51,015)



INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statement of income and expenditure for the year ended December 31, 2010 of Islands Forum Trade Office Beijing (the "Office").

I. The Management's responsibilities to the financial statements preparation

The Office's Management is responsible for preparation of the financial statements according to "Accounting Standards for Business Enterprises" and "Accounting System for Business Enterprises", which includes (1) to design, implement and maintain the internal control relevant to the financial statements, so that the financial statements are free from material misstatement due to frauds or mistakes; (2) to choose and adopt suitable accounting policies; (3) to make reasonable accounting estimates.

II. The CPA's responsibilities

Our responsibility is to express audit opinion about the financial statements on the base of our audit work, which we conducted in accordance with the Auditing Standards for Chinese Certified Public Accountants. The Auditing Standards for Chinese Certified Public Accountants require CPAs to abide by professional ethics, to plan and perform audit to acquire a reasonable basis for audit opinion.

Our audit work is to implement audit procedures to collect audit evidence about the amounts and disclosures of the financial statements. We choose audit procedures with our own professional judgment, including evaluating material misstatement risks caused by frauds and mistakes. When we were evaluating risks to design suitable audit procedures, we considered the Company's internal control relevant to the financial statements preparation, while we did not intend to express opinion on the validity of the Company's internal control. Our audit procedures also included assessing the accounting policies' suitability adopted by the management and reasonability of accounting estimate made by the management, and assessing the financial statements' general display.

We believe that we had acquired sufficient and appropriate audit evidence, which provide a reasonable basis for our opinion.

III. Office profile

The Pacific Islands Forum Secretariat and the People's Republic of China Government have signed an agreement for setting up of the Pacific Islands Forum Trade office in China on October 31, 2000 for strengthening and developing friendly cooperation relationship between the two parties. Pacific Islands Forum Trade Office Beijing (the "Office") was set up in Beijing, which is an agency of Pacific Islands Forum Secretariat. The Office operation and management are under the leadership of its Trade Representative. The Office's function is to promote and strengthen the cooperation on economic, trade, investment, and other sectors between Pacific Island countries and the People's Republic of China. The Office is classified as an international organisation and as such does not engage in any form of commercial activity.

IV. Results of audit

From the audit, we recognised that fiscal year of the Office follows the calendar year from 1st January to 31st December. It adopts Renminbi as reporting currency. Since the business of the Office is related to income and expenditure, as a result the statement of income and expenditure is only compiled. We engaged in auditing of income, expenditure and balance of the Office as of December 31st 2010.

BALANCE OF INCOME & EXPENDITURE

- Beginning balance of the year 2010 is RMB 64,639.78, among it, Cash on hand is equalled to RMB 7,971.74, Cash in bank equalled to RMB 40,696.16, Account receivable RMB 20,000.00 (including: rent deposit for Mr Sam Savou RMB 10,000.00, education deposit RMB 10,000.00). Other account is -4,028.12.
- Balance of the year 2010
The balance of this year RMB-19,138.35, which is the result of total income deducted total expenditure.
- Ending balance
The ending balance is RMB 45,501.43, among it, Cash on hand is equalled to RMB 15,329.37, Cash in bank is equalled to RMB 4,200.17, Account receivable RMB 30,000 (including: rent deposit for Mr Sam Savou RMB 20,000.00, education deposit RMB 10,000.00). Other account is -4,028.12.
- Other disclosure
By end of 2010 PIFTO deferred payment is: USD 15,036.50 including: Mr Sam Savou's deferred salary in 2010 USD 10,959.75, defer red Superannuation in 2010 USD 4,076.75.

Since we did not obtain fund-using rules from management, apart from the unverified expenditure of other expenditure, we can only confirm that the expenditure process follows normal procedures in the actual practice, the expenditure of the office of 2010 is truly and fairly represented.



Currency:
RMB

I. INCOME

1. Fund transfer from home office	1,879,933.45
2. Interest income	853.30
3. Other income	14,365.36
Refunded VAT	14,365.36
Others	
Total income	1,895,152.11

II. EXPENDITURE

1. Operating expenditure	
Fixed asset	34,200.00
Marketing material	1,680.00
Office daily supplies	31,506.85
Postage and courier services	1,234.00
Utilities (electric/gas/water)	2,209.70
Rental	252,000.00
Telecommunications	48,156.39
Local travelling	8,489.80
Travel	176,833.36
Motor vehicle	55,883.51
Logistics fee	7,716.00
Salary	440,100.00
Office cleaning expense	4,932.00
Chinese staff insurance	3,623.00
Subtotal	1,068,564.61
2. Chief Representative expenditure	
Salary	378,001.57
Educational allowance	261,680.60
Housing allowance	159,989.50
Home leave	39,986.62
Subtotal	839,658.29
3. Financial expenses	
Exchange loss	5,545.26
Bank procedure	522.30
Subtotal	6,067.56
TOTAL EXPENDITURE	1,914,290.46

III. BALANCE

1. Beginning balance	64,639.78
2. Net balance of current year	-19,138.35
3. Ending balance	45,501.43
Cash on hand	15,329.37
Cash in bank	4,200.17
Deposit	30,000.00
Account payable	-4,028.12



INDEPENDENT AUDITOR'S REPORT

We have verified the accompanying balance sheets of The South Pacific Economic Exchange Support Centre (the "Centre") as of March 31, 2010 and the statements of changes in fund balance for the year then ended. These financial statements are the responsibility of the Centre's management. Our responsibility is to report the conclusion relating to the compliance with accounting policies described in the Article 9 of the financial rule of the Centre.

We conducted our verifications in accordance with auditing standards generally accepted in Japan and the "Research Report on the Assurance Engagement provided by CPAs and others" (JICPA issued, on July 1, 2009). A verification includes examining on a test basis, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall balance sheets and the statements of changes in fund balances presentation. We believe that our verifications provide a reasonable basis for reporting our conclusion.

In our conclusion, the financial statements referred to above are presented in all material respects, in conformity with accounting policies described in the Article 9 of the financial rule of the Centre.

Neither we nor any of our executive members have any interest in the Centre, which should be disclosed in compliance with the Certified Public Accountants Act.

Seiwa Audit Corporation

July 15, 2010

**BALANCE SHEET
TOKYO**

	March 31 2010	March 31 2009
I. ASSETS		
1. Cash & deposit		
In hand	81,098	64,864
In bank deposit: Mitsui-Sumitomo Bank	10,598,012	13,437,462
Subtotal	10,679,110	13,502,326
2. Advance payment	1,857,700	439,015
3. Accounts receivable	2,390,528	-
4. Rental deposits	-	9,422,400
TOTAL ASSETS	14,927,338	23,363,741
II. PAYABLES AND SURPLUS		
1. Accounts payable	1,626,737	665,837
2. Deposits received	695,477	1,079,249
3. Reserve for retirement allowances	781,014	7,634,210
4. Contra account for deposits paid	-	9,422,400
5. Surplus		
Unappropriated surplus	11,824,110	4,562,045
TOTAL PAYABLES AND SURPLUS	14,927,338	23,363,741

**STATEMENT OF CHANGES IN FUND BALANCE
JAPAN**

Currency:
Yen (¥)

	Year ended, March 31 2010	Year ended, March 31 2009
I. PROCEEDS		
1. Contribution for operating expenditures		
Japanese Government	38,810,000	39,351,000
Pacific Islands Forum	4,312,000	4,373,000
2. Contribution for programmed expenditures		
Japanese Government	9,471,000	10,423,000
3. Interest income	12,883	45,441
Subtotal	52,605,883	54,192,441
II. OPERATING EXPENDITURES		
1. Personnel expenditures	25,982,489	27,580,900
2. Office administrative expenses		
Office supplies	149,165	199,936
Office rental	11,482,589	9,576,372
Office equipment rental	389,295	122,604
Audit fee	1,260,420	1,263,150
Transportation	873,954	1,551,972
Communication	489,139	528,936
Electricity and heating	108,395	423,879
Meeting (Entertainment)	186,795	369,953
Books and magazines	83,272	115,356
Miscellaneous items	1,274,134	552,504
Subtotal	42,279,647	42,285,562
III. PROGRAMMED EXPENDITURES		
1. Publications	2,157,139	2,119,976
2. Website	2,144,575	1,540,045
3. Exhibition and seminar	4,440,722	3,571,895
4. Project for developing exportable products to Japan	3,218,564	656,334
Subtotal	11,961,000	7,888,250
IV. CAPITAL INCOME		
1. Key money for office/storage	7,363,300	-
V. INCOME FOR STRENGTHENING PIC'S FUNCTION		
	33,202,478	-
VI. EXPENDITURE FOR STRENGTHENING PIC'S FUNCTION		
	33,179,104	-
VII. PROCEEDS FOR PACIFIC ISLANDS EXHIBITION (INCOME)		
1. Contribution from Pacific Islands Development Cooperation	22,926,456	-
VIII. Proceeds for Pacific Islands Exhibition (Expenditures)		
1. Exhibition	21,416,301	-
Unappropriated surplus of beginning of year	4,562,045	543,416
Unappropriated surplus of end of year	11,824,110	4,562,045
IX. ADJUSTMENTS FOR UNCOLLECTED ITEMS		
1. Advance payments	(1,857,700)	(439,015)
2. Accounts receivable	(2,390,528)	-
Subtotal	(4,248,228)	(439,015)
X. ADJUSTMENTS FOR UNPAID ITEMS		
1. Accounts payable	1,626,737	665,837
2. Deposits received	695,477	1,079,249
3. Reserve for retirement allowances	781,014	7,634,210
Subtotal	3,103,228	9,379,296
XI. CASH SURPLUS	10,679,110	13,502,326



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