

Why Invest in Solomon Islands

Investment Policies in Solomon Islands

The government of Solomon Islands considers the private sector to be the engine for economic growth and development. InvestSolomons and other government departments will facilitate foreign investments which have the following features:

- strengthen the technical and marketing expertise of the private sector
- maximise the use of local raw materials through different stages of production
- promoting export and import substitutes
- creating employment for and training of Solomon Islanders
- transfer and integrate knowledge and technology into the economy
- have a vision for a long term investment in the country.

Tax, Incentives and Duties

The government offers incentives to new investors, and are granted at the discretion of the Minister of Finance. They may include tax holidays and duty exemptions on the import of certain capital goods.

Income Tax Rates

The company tax rate for a resident company is 30c in the dollar. Non-resident companies pay 35c in the dollar.

Personal income tax rates are as follows:

Income Bracket	Rate
\$1-\$15,000	11%
\$15,001- \$30,000	\$1650 + 23% of excess
\$30,001- \$60,000	\$5100 + 35% of excess
\$60,001 and over	\$15600 + 40% of excess

Check for updates at www.ird.gov.sb

Duty Exemptions

The Customs and Excise Act (cap 58) provides a lot of incentives for investors under schedules 26 and 30. Schedule 26 covers exemption from customs duties on capital goods (machines, buildings and equipment). The only goods that are not exempted are ancillary items.

Schedule 30 covers duty exemption on items such as building materials, recreational vehicle, food stuff, tobacco products and drinks.

Import Duty Rates

There are four ad valorem import duty rates of 20, 15, 10 and 5 % on most imported goods. However, certain importers receive full exemptions including Solomon Islands National and Provincial governments, diplomatic mission, consular, Regional and international organisations, cultural, educational, health, religious, scientific, meteorological materials, initial capital investment, registered charitable organisation and raw materials or industrial inputs imported by manufacturers.

Export Duty Rates

The following are the export duty rates applicable to certain items (subject to change):

- Minerals – 15%
- Shells- 10%, 30%
- Live fish, crustaceans- 10%
- Fish chilled or frozen- 5%, 20%
- Timbers various species at ad valorem and combined rates
- Copra- 30%
- Live animals- 10%
- Crocodile skins- 10%

Key Sectors

KEY SECTORS OF INVESTMENT

- Tourism Development – accommodation/ resorts, adventure services.
- Fishing & Fish Processing.
- Food & Agribusiness.
- Commercial Livestock Farming.
- Timber Processing & Manufacturing.
- Mineral Prospecting and extraction
- Infrastructure.
- Transport & Telecommunication Services.
- Any investment activity that is not on the reserved list.

Activities reserved to domestic investors

Foreign investors are not allowed to conduct activities on the reserved list.

The current reserved list is as follows:

1. Cultivating plant crops exclusively for sale on the domestic market.
2. Timber milling operations producing not more than 2,500 m3 sawn timber per year.
3. Retail trading of household goods and services on premises with an area of less than 200 m2.
4. Producing handcrafts and cultural artifacts.
5. Operating buses, taxis and hire car services.
6. Farming of livestock for sale exclusively for domestic market.
7. Gathering of wild forest products for sale exclusively for domestic market.
8. Laundry services not part of hotels.
9. Restaurants, cafes and other eating and drinking business other than specialty Business and operating within an area of less than 25m2.
10. Market vending and roadside stalls.
11. Domestic help services.
12. Static guarding services for offices and domestic dwellings with an employment of less than 20 employees.
13. Office and lawn cleaning services not associated with hotels.
14. Customs clearing agent.

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