

**PIPISO**

Pacific Islands Private Sector Organisation

# 2010

ANNUAL REPORT







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## Acronyms



|            |  |
|------------|--|
| ACA        | American Canoe Association                       |
| ACP        | African Caribbean and Pacific Group of Countries |
| ADB        | Asian Development Bank                           |
| AGM        | Annual General Meeting                           |
| ANZ        | Australia and New Zealand Banking Group Limited  |
| AORE       | Association of Outdoor Recreation and Education  |
| AusAID     | Australian Government's Overseas Aid Programme   |
| BCA        | Beachcomber Contemporary Art                     |
| BFTEP      | Bula Fiji Tourism Exchange Programme             |
| CBF        | Capacity Building Fund                           |
| CEO        | Chief Executive Officer                          |
| CMOs       | Collective Management Organizations              |
| COMESA     | Common Market for Eastern and Southern Africa    |
| DEMA       | Diving Equipment and Marketing Association       |
| EO         | Executive Officer                                |
| EU         | European Union                                   |
| FCEF       | Fiji Commerce and Employers Federation           |
| FEMM       | Forum Economic Ministers Meeting                 |
| FICs       | Forum Island Countries                           |
| FTMM       | Forum Trade Ministers Meeting                    |
| ILO        | International Labour Organisation                |
| ISCP       | International Studio & Curatorial Programme      |
| ITC        | International Trade Centre                       |
| MSF        | Marketing Support Fund                           |
| MSME       | Micro Small Medium Enterprise                    |
| MYOB       | Mind Your Own Business                           |
| NPSO       | National Private Sector Organisation             |
| NYC        | New York City                                    |
| NZAID      | New Zealand Government's Overseas Aid Programme  |
| PACER Plus | Pacific Agreement on Closer Economic Relations   |
| PACREIP    | Pacific Regional Economic Integration Programme  |
| PCF        | Pacific Cooperation Foundation                   |
| PICTA      | Pacific Island Countries Trade Agreement         |
| PIFS       | Pacific Islands Forum Secretariat                |
| PIPSO      | Pacific Islands Private Sector Organisation      |
| PITIC      | Pacific Islands Trade & Investment Commission    |
| PLP        | AusAID Pacific Leadership Program                |
| PNG        | Papua New Guinea                                 |
| PPD        | Public Private Dialogue                          |
| PPP        | Public Private Partnership                       |
| PSD        | Private Sector Development                       |
| PTDF       | Pacific Trade and Development Facility           |
| SICCI      | Solomon Islands Chamber of Commerce and Industry |
| SKFL       | Sea Kayak Fiji Limited                           |
| SME        | Small Medium Enterprise                          |
| SNEO       | Singapore National Employers Organisation        |
| SPC        | Secretariat of the Pacific Community             |
| TCCI       | Tonga Chamber of Commerce & Industry             |
| TNAHA      | Tonga National Artist and Handicraft Association |
| TNPSO      | Tuvalu National Private Sector Organisation      |
| UNDP       | United Nations Development Program               |
| US         | United States                                    |
| USP        | University of the South Pacific                  |
| WSSD       | Wiles Samoa Soaps and Detergent                  |



## About Us

### VISION

A region of opportunities for all people to grow and prosper.

### MISSION

To be a pivotal partner in harnessing resources to bring about real growth and prosperity for the region.

### STRATEGIC GOALS

#### Capacity Building

- To promote and facilitate greater cooperation among members;
- To improve the capacity of members to engage in dialogue with Governments;
- To improve capacity of members to engage with development partners, and;
- Continuing strengthening the Secretariat to provide effective services to its member.

#### Partnership

- To establish a complementary relationship with PIFS in which PIPSO implements policies and programmes that impact on PSD;
- To provide advice and guidance to PIFS on the development of private sector policies;
- To assist members to formulate national private sector strategies and policies, and;
- To advocate the interests of the private sector at regional; and international fora.

#### Technical Support

- To provide or facilitate technical advice and guidance on business developments in the Pacific;
- To identify the priority needs of members and provide appropriate assistance, and;
- Strengthen the capacity of members to develop strategic policies.



## BOARD MEMBERS



**Mr. Hafiz Khan**  
(Chair)  
Fiji Islands



**Mr. Sala Epa Tuioti**  
(Vice-Chair)  
Samoa



**Mrs Teresa Manarangi - Trott**  
Cook Islands



**Mr. John Leahy**  
Papua New Guinea



**Mr. Martin Tofinga**  
Kiribati



**Mr. Paula Taumoepeau**  
Tonga



**Mr. Francis Remengasau**  
Palau



**Mr. Daniel Tuhonuku**  
Solomon Islands  
Alternate Board Member





## Chair's Report - Mr. Hafiz Khan

**2010** was quite a significant year in many respects. Not only did PIPSO attain significant increase in development partners' funding but also there were significant developments and activities, which were undertaken for our members in the 14 Forum Island countries. Amidst these happenings the global economic crisis continued and its momentum and effects impacted, in varying degrees, almost all of the Pacific Islands. Being largely reliant on aid, most of the economies experienced a slow down with decrease in levels of inward remittances. Other sectors were also affected with downturn in commodities' export and tourism, and consequently reduced government spending.

While the private sector is traditionally charged to lead the economic growth, due to sheer smallness of many Island economies, private sector contribution to growth in these Island Nations are either very limited or, intricately tied with some form of government partnerships. As a key goal set by its Charter, this is one area that PIPSO will continue to promote heavily so as to ensure that there are "win-win" effective private and public sector partnerships – fostering of which can be brought through effective Public/Private Sector dialogue.

The level of funding provided to PIPSO in 2010, increased by 180.0% to \$1.2m from \$0.447m in 2009. This reflects the donors' confidence in PIPSO and its Secretariat to deliver the programmes which meet the needs of the private sector and advocate

issues on their behalf. Of the total funds that were utilized in 2010, 78.0% of these were all directed for the benefit of the private sector and the capacity building of national private sector organisations.



*The level of funding provided to PIPSO in 2010, increased by 180.0% to \$1.2m from \$0.447m in 2009.*



The Marketing Support Fund which was transferred from the Pacific Islands Forum Secretariat in 2009 was reviewed so that funding scheme is relevant and meets the needs of the private sector. This review allowed the fund to support private sector in developing their businesses, provide training and attachments, improving the quality of their products and getting the companies ready for exports. With this review, it allowed more companies in many countries to qualify for the assistance provided. The review also streamlined the assessment and approval process for all applications received. A total of 19 companies from 7 countries were assisted during the year under this fund. The assistance provided has assisted these companies to develop promotional and marketing materials, exhibit their products at overseas trade shows and exhibitions where they have succeeded in selling their goods, received orders and enter into new markets.

PIPISO is indeed grateful to the Japanese Government for providing the funds and also at the same time agreeing to the changes made to the fund to make it effective for the Private Sector.



In early June, I was very fortunate, through the assistance of the AusAid Pacific Leadership Programme to be able to visit the Caribbean Association of Industry and Commerce (CAIC), the regional private sector organization in Trinidad and Tobago. This visit provided the opportunity to observe how CAIC operated and coordinated private sector dialogue with the CARICOM Ministers. A number of private sector meetings were also conducted in Trinidad and Tobago.

During the year, PIPSO held a Regional PACREIP workshop at Nadi, Fiji to address private sector challenges. The workshop addressed key issues relating to: the impact of the global economic crisis for the Pacific and how the private sector can weather the crisis, regional trade, trade agreements and its current challenges, access to finance and quality standards for export products. A total of 75 participants from 13 Pacific Island countries attended.

Following the PACREIP, PIPSO held its annual general meeting and election of Board members. James Movick (former Chair) and Tom Nakao retired from the Board and three new Board members were elected. They were Francis Remengsau of Palau, Paula Taumoepeau of Tonga and Daniel Tuhanuku of Solomon Islands as the alternate Board member.

With the National Private Sector Organisations (NPSOs) surveys that were conducted from 2008 and 2009, PIPSO undertook concrete measures to build the capacity of the national private sector organisations. During the PACREIP workshop and the annual general meetings, the NPSOs were provided, by the Secretariat, with guided directions on how their organisations were to be formed, structured and developed with clear operational policies and governance structures. A presentation on effective Corporate Governance was also provided to the NPSOs. Following that six NPSOs from six countries received direct assistance from PIPSO for capacity building. This assistance covered training of staff,

review of the constitution and governance structures, corporate governance workshops and training of their members. This work reflects PIPSO's proactive stance in addressing NPSO's capacity building and it is expected that the momentum to increase capacity building will swell over the coming years

The first ever private sector dialogue with the Forum leaders was held at Port Vila, Vanuatu. Private Sector representatives from the 14 Pacific Islands attended the dialogue and raised a key issue confronting the private sector: access to finance to leaders. This dialogue is a unique opportunity provided to the private sector in view of the important role it plays in the economy. The Forum Leaders appreciated the private sector participation at the dialogue. The outcomes of the dialogue were presented at the Forum Economic Ministers in Alofi, Niue in October, 2010 by me as the Chairman of PIPSO. Progress has been made on some issues raised and more work is expected to continue in this area.

Towards the end of the year, PIPSO held its Biennial Pacific Business Forum at the Sofitel Resort at Denarau at Fiji. A total of 148 participants from the Pacific and overseas countries, including regional and international organisations attended this Business Forum. The Pacific Leadership Programme, ANZ Bank Fiji and other sponsors contributed to this successful Business Forum. The private sector representatives from all the 14 Pacific Islands attended this programme and focused on how regional cooperation can enhance the private sector development for the Pacific.

Indeed the year proved challenging as well as fruitful. With almost 80.0% of PIPSO's funding going directly to the private sector, I'm pleased with the results that PIPSO achieved for 2010. It is quite gratifying to note that the small islands nations like Cook Islands, Nauru, Niue, Kiribati and Tuvalu received the most assistance during the year, followed by the medium and larger countries. However more work is required





to increase the level of assistance and interaction with the countries in the Northern region like Palau, Federated States of Micronesia (FSM) and Republic of Marshalls Islands (RMI).

With the huge mining projects being undertaken in PNG and the Military Base build-up happening in Guam, PIPSO will increase its level of interaction with the PNG and Guam Private Sector to ascertain how the rest of the Pacific can make use of the opportunities arising from these projects.

I would like to sincerely thank and express our deepest gratitude to our development partners like the AusAID's Pacific Leadership Programme, the European Union, the Japanese Government, and the Pacific Islands Forum Secretariat. The funding provided has significantly assisted the private sector of the Pacific Islands develop and mature, in many ways, and it our hope that such support will continue in future.

PIPSO would not be able to achieve all that it did for 2010, without the support of the Board and Council. I would like to record my sincerest appreciation and gratitude to the Vice Chair, Sala Epa Tuioti and the Board Members who provided their unfailing support during the year. My sincerest thanks to the Chief Executive Officer, Ms Mereia Volavola and the staff for their hard work and commitment during the year.

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*Of the total funds that were utilized in 2010, 78.0% of these were all directed for the benefit of the private sector through direct assistance, training and the capacity building of national private sector organisations.*

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## CEO's 2010 REVIEW - Mrs. Mereia Volavola

The year 2010 indeed was very challenging yet at the same time rewarding. The Secretariat received more than doubled the amount of funding as development partners became more confident in dealing with PIPSO. PIPSO was able to achieve quite a lot of work activities last year with the funds provided.

### Development of PIPSO Strategic Plan 2011 to 2013 and Operational Budgets

The Secretariat embarked on developing a three year annual work plan for 2011 to 2013. The Secretariat in compiling PIPSO's Strategic Plan for 2011 to 2013 undertook the following reviews:

- The 2009 annual work plan and activities that had not been completed;
- Work that was planned to be carried but withheld due to funding constraints;
- The business plan of PIPSO 2008 to 2011;
- Priority needs of the NPSOs from the National NPSO Survey report;
- Key focus of PIPSO work for the next three years, and;
- Outcomes of the various meetings and workshops organized by PIPSO

The three year business strategy focus was developed to guide the preparation of the 3-year annual work plan. In the 3-year work plan, only the key programmes and operational activities are outlined. All these activities can be clearly categorized under capacity building, technical support and partnership.

In determining the strategy focus, it was important to determine what was needed at national level in order to drive NPSOs capacity building, private sector dialogue and other initiatives for private sector development

The business strategy developed is focused on three horizons and clearly itemized activities on each horizon. Primarily PIPSO needs to be more engaged at national level and assist in building strong NPSOs. In order to clearly articulate views of the private sector and also provide worthwhile contribution to national governments on private sector development, strong NPSOs are needed.

The annual work plan of PIPSO was regularly reviewed during the year to assess it's appropriateness to the needs of the NPSOs and private sector development. Given that scenes at national level changes frequently, it is important that such reviews take place so that PIPSO's work plan is in line with market demands and reality of the Pacific Islands private sector needs.





As such, this would require PIPSO to be a lot more proactive and in tune with the national development in the 14 Pacific Island countries. The accomplishment of the 3-year annual work plan will be subject to the level of funding provided by development partners.

### **Development and finalization of the PIPSO Secretariat Operational Policies**

The Secretariat completed its operational policies which included the following;

- Finance
- Human Resources
- Information Technology

This was important for the Secretariat to ensure that proper governance structures are in place to ensure accountability, prudence and transparency.

Additionally, a Chart of Accounts for PIPSO was also developed to go in line with the MYOB programme currently in use. In view of the ever-changing business environments, it is noted that the current policies will be subject to changes and continuous improvement.

### **Development and finalization of PIPSO Board Charter**

In line with the calls for better transparency and effective corporate governance, the Secretariat completed the Board Charter for the PIPSO Board. The Charter has established that the PIPSO Board will at all times recognize its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of PIPSO's stakeholders, including its employees.

The Board Charter will work to promote and maintain an environment within PIPSO that establishes these principles as basic guidelines for all of its employees and representatives at all times.

The purpose of the Board Charter is to promote high standards of corporate governance and to clarify the role and responsibilities of the Board.

The Board has statutory functions powers and responsibility in accordance with Article XVI of the Constitution for the affairs and activities of PIPSO which in practice is achieved through delegation to the Chief Executive Officer and others who are charged with the day-to-day leadership and management of PIPSO

The primary objective of the Board of Directors ("Board") of PIPSO is to build long-term stakeholder value with due regard to other stakeholder interests. It does this by setting strategic direction and context, such as PIPSO's mission, vision and values, and focusing on issues critical for its successful execution such as staffing, performance and risk management. The Board is also responsible for overseeing PIPSO's corporate governance framework.

### **Marketing Support Fund (MSF)**

The Marketing Support Fund was well utilized in 2010 with the scheme supporting nineteen (19) businesses in total. Majority of those were supported with the development of promotional materials to promote their products or businesses both at national and international level. Part 4 of the annual report outlines all the businesses that were supported under this scheme.

### **Capacity Building Fund (CBF)**

Following the 2008 and 2009 national private sector surveys of the National Private Sector Organisations, the Secretariat began attending to the capacity building needs of the NPSOs. Capacity building that were undertaken by the various NPSOs, included the revision of their constitution and executive council charter, specific technical training, corporate governance workshops and negotiation skills training. Part 5 outlines the various assistance provided for capacity building.

Both the Marketing Support Fund and Capacity Building Assurances augured well with the business development of the private sector as well as capacity building to strengthen the NPSOs in carrying out the required work for its members.





### **Workshop on “Economic Opportunities for Pacific Women in Business”, 15<sup>th</sup> to 17<sup>th</sup> March 2010, Port Vila, Vanuatu**

The first ever regional workshop for Pacific Women in Business was held in Port Vila, Vanuatu from 15<sup>th</sup> to 17<sup>th</sup> March 2010. The workshop was attended by women in business from the Cooks Islands, Fiji, Kiribati, Federated States of Micronesia, Nauru, Niue, Papua New Guinea, Republic of Marshall Islands, Republic of Palau, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu and Vanuatu including representations from regional and international agencies, Vanuatu Government and the media.

The Workshop aimed to celebrate the advances made on women's economic empowerment, ways of overcoming obstacles and finding practical solutions to advance women entrepreneurs' participation in the globalised economy.

Despite these challenges the Pacific women have risen to the occasion to make it through successfully. Challenges faced by women in the Pacific region as echoed by the participants included (but not limited to):

- Access to land;
- Access to finance;
- Limited government support for women in business;
- Limited information on business opportunities, way to improve business, access to business support activities, markets, etc;
- Limited consolidation efforts to bring women in business together at national and regional levels, and;
- Challenges of culture and sensitivities to women

The workshop participants amongst others, strongly endorsed PIPSO to be the organization to advocate both at national and regional level issues pertaining to women in business such as the establishment of women in business associations and be a member of the NPSOs, the inclusion of women entrepreneurs on private sector dialogues and attend to the current constraints.



### **Pacific Leadership Programme Annual Convention, 20<sup>th</sup> to 22<sup>nd</sup> April, 2010, Brisbane, Australia**

In its effort to strengthen leadership at development organizations, PLP hosted its inaugural convention around this theme. A number of partner organisations which PLP worked with in the Pacific including PIPSO attended the convention. The convention introduced participants to a broader understanding of leadership and examined the traditional leadership role, values and dilemmas in the Pacific.

The convention provided an opportune time for the participants to learn from one another and from presenters who have wide-ranging experiences from the Pacific and beyond.

### **Chair's Attachment with CAIC, Trinidad & Tobago, Caribbean, 7<sup>th</sup> to 11<sup>th</sup> June, 2010**

As part of PIPSO's capacity building, PLP funded an attachment trip for the Chair of PIPSO to the Caribbean Association of Industry and Commerce (CAIC) to observe the way they operate and carry out their activities. CAIC coordinates the private sector dialogue with the CARICOM Ministers, and such an attachment would provide PIPSO the opportunity to observe how these meetings are conducted and how effective dialogue can be pursued by the private sector.



### **Quadrilateral Meeting with PIFs and Trade Offices, 2<sup>nd</sup> to 3<sup>rd</sup> June 2010**

A quadrilateral meeting was organized by the Director of Economic Governance of PIFS with all the Trade Offices and PIPSO. The meeting was to discuss the strategic changes for the Trade Offices and the latest update from the FEMM and FTMM meeting. The meeting was also to fostered a closer working relationship of PIPSO and the Trade Offices. In addition another meeting was also held with ADB and IFC to prepare for the first private sector dialogue with the leaders.

### **PACREIP Regional Workshop, 23<sup>rd</sup> to 24<sup>th</sup> June 2010, Nadi, Fiji**

Through the assistance of the European Union via the Pacific Islands Forum Secretariat, PIPSO conducted a regional workshop from 23<sup>rd</sup> to 24<sup>th</sup> of June 2010. The workshop covered areas that were relevant and included current challenges being faced by the private sector. These included the following areas;

- promote dialogue between regional business leaders;
- discuss current global issues affecting the private sector in the pacific and strategies on how to tackle the impact of the global economic crises;
- review business strategies to take advantage of the recovery phase of the global economic situation; and
- building strong national private sector organizations.



The workshop was held at the Hexagon International Hotel in Nadi and was well attended by private sector representatives the region over.

### **PIPSO Annual General Meeting, 25<sup>th</sup> June, 2010, Nadi, Fiji**

Following the PACREIP regional workshop, PIPSO conducted its annual general meeting. This meeting was an important one as the election of the new board members took place. Hafiz Khan (Fiji) was appointed Chair and Sala Epa Tuioti (Samoa) as the Vice Chair. The Board members elected were Teresa Manarangi-Trott (Cook Islands), John Leahy (PNG), Martin Tofinga (Kiribati), Paula Taumoepeau (Tonga), Francis Remengasau (Palau) and Daniel Tuhanuku (Solomon Islands) as the alternate director.

A number of important decisions were passed at this AGM. This includes the formation of six (6) industry working groups. The members of the working group was to be made from the region's representatives. The six industries groupings were, Agriculture, Fisheries, Manufacturing, Trade in Services, Transport and Energy and Tourism. The Secretariat called for nominations from the fourteen (14) NPSOs for representatives for the working groups during the year.

A number of key stakeholders presented at the meeting including the fourteen (14) NPSOs on their plans and progress at national level.

### **PIPSO Board Meeting, 25<sup>th</sup> June 2010**

The PIPSO Board conducted it's meeting on the 25<sup>th</sup> June 2010. The Secretariat made presentation on the work progress and the plans and budget for the next three years. A number of important decisions were made at this meeting which included the appointment of the approving panel to assess and approve applications for the marketing support fund and capacity building. This approval panel comprises of the Chair, Vice Chair, Paula Taumoepeau, Martin Tofinga and CEO.







**ACP-Intermediary Organizations Conference: Partnership for the Development of Enterprise, 12<sup>th</sup> to 13<sup>th</sup> July 2010, Brussels, Belgium**

PIPSO was invited to this conference to network with ACP intermediary organisations. It is in this type of conference that contacts are established and relationship built with sister intermediary organizations who they can assist each other with capacity building and information sharing.

The conference program was in two main parts. One is the discussion of topical issues that are prevailing in the ACP region and the second part is the Business to Business (B2B) meetings with intermediary organizations.

**Inaugural Private Sector / Forum Leaders' Dialogue, 4<sup>th</sup> August, 2010, Port Vila, Vanuatu**

The first ever Private Sector Dialogue with Forum Leaders was held in Port Vila, Vanuatu in 2010. This inaugural event signifies the importance of private sector in the economy and the need to engage in a meaningful way especially at regional level. PIPSO together with PIFS organized the participation of the participants from the sixteen (16) forum island countries. The dialogue focused on a key challenges facing the private sector in the Pacific and that is access to finance.

PIPSO Secretariat, Asian Development Bank, World Bank's International Finance Cooperation and some other private sector organisations made presentations on access to finance. The private sector participants discussed issues highlighted in the various presentations and submitted a statement to the Forum Leaders. The same statement was presented to the Forum Economic Ministers Meeting at Alofi, Niue by the Chair of PIPSO.



The private sector dialogue is now expected to be an annual event at the Forum Leaders meeting.

**Strengthening Trade Opportunities for Pacific Women in Business 27<sup>th</sup> to 28<sup>th</sup> September 2010, Auckland New Zealand.**

PIPSO was invited to present at the International Trade Centre Seminar. The Seminar was held to increase regional trade integration and the greater participation of women in the globalized economy. Topics covered included the requirements of the New Zealand Markets, greater understanding of importers requirements on Pacific Island goods and awareness of the roles and functions of trade support institutions.



**Non-State Actors Dialogue – Engaging with Non-State Actors on PACER Plus, 18<sup>th</sup> October, 2010, Honiara, Solomon Islands**

Prior to the Forum Islands second officials meeting on PACER Plus, a dialogue was conducted to hear the views of the non-state actors on PACER Plus.

This dialogue follows the Forum Trade Ministers decision at their meeting in April 2010 on the status of consultations with non-state actors on PACER Plus and agreed that, in accordance with direction from the Special Forum Trade Ministers' Meeting on PACER Plus in October 2009, PIFS will organize an annual discussion with non-state actors on PACER Plus matters in the margins of a forthcoming Forum trade meeting.

PIPSO was represented at the meeting and advocated the importance of a clear process and wider consultation of the private sector at national level on all trade



agreements. Furthermore the private sector are to be included as part of the national government team on negotiations on the trade agreements.

### **Forum Economic Ministers Meeting, 25<sup>th</sup> to 27<sup>th</sup> October, 2010, Alofi, Niue**

The Forum Economic Ministers (FEMM) and Associated Officials meetings were held at Alofi, Niue. PIPSO being an observer was invited to the meeting. At the meeting the PIPSO chair presented the statement that was presented at the Forum Leaders dialogue with the private sector. Around the margins of the meetings the Chair and CEO held meetings with the Niue Chamber of Commerce and its members. In establishing an appropriate training programmes for the private sector in Niue, another joint meeting was held with the USP's Vice Chancellor, Mr. Rajesh Chandra to explore ways on how the USP centre can be used to provide training to the private sector.

A further joint meeting was held with the Government Officials from the Ministry of Finance, Tourism Officials, New Zealand High Commissioner to Niue, USP and representatives of the Niue Chamber of Commerce to explore ways on how to boost private sector development, build the tourism industry and the training of civil servants on business when they leave the civil service.

A number of visits were made to a number of private business to discuss their business operations and the challenges they face.

### **Pacific Leadership Programme – Advancing Public and Private Dialogue Workshop, 18<sup>th</sup> to 19<sup>th</sup> November, 2010, Apia, Samoa**

Given the role that PIPSO has been undertaking in paving the way to deepen private and public sector dialogue, PLP hosted a workshop in Apia Samoa. The purpose of the workshop was to create an opportunity to share learning experiences on public-private sector dialogue and partnerships within the Pacific and beyond. Arising from this dialogue, NPSOs were to develop a better understanding of Government's perspective on public private dialogue. The workshop discussed the role of donors and

governments in public-private sector dialogue and partnerships, and how NPSOs and PIPSO could develop better dialogue skills.

### **Pacific Islands Business Forum, 8<sup>th</sup> to 9<sup>th</sup> December 2010, Nadi, Fiji**

The Pacific Islands Business Forum of the Pacific is held once every two years aimed at fostering trade and investments in the region. This multi-sector and regional event offered businesspeople from the Greater Pacific the opportunity to meet with the purpose of identifying business opportunities that will enable them to secure markets for their main exports, as well as to promote closer ties to suppliers of basic goods.



These are priority objectives shared by the Pacific economies, and their materialization and fostering is intended to strengthen the growing aspiration for a closer and more effective interaction among the business community of the region. The event facilitated the awareness of the existing opportunities and would consequently contribute to advancing the process of regional integration in the area.





The Pacific Leadership Programme and ANZ Bank Fiji were the key sponsors for the Business Forum.

In keeping with the interests of the regional business community and the determination of PIPSO to make each edition of the Forum genuinely attractive and an effective business opportunity for regional entrepreneurs, the event was divided into three parts, a seminar with interactive sessions, the holding of business meetings among the participating entrepreneurs, and an exhibition of products and services. Outcomes of the Pacific Islands Business Forum were purposefully outlined in 3 tiers of action, National Level, Sub regional and Regional Level. The activities were focused on the following key areas including: Pacific Business Opportunities and Labour Mobility, Pacific Tourism and Regional Cooperation and Empowering Businesses: Investment Capital and Access to Credit.

The business forum was well attended with participants from the Forum Island countries representatives including regional and international organisations, Foreign High Commissions and local institutions.

### Human Resources

In early January, Henry Sanday the Executive Officer completed his term. Also during the year two staff resigned and PIPSO was able to recruit a Programme Officer. It is expected that the recruitment of another staff will be completed in the early part of the following year.

Staff undertook some training that was offered by PLP. This includes financial training and requirements and expectation of donors. This training helped improve staff skills and the capacity of the Secretariat.

### Financial Resources

With the increase in funding, the Secretariat was able to expand its activities especially in helping private sector business directly and build the capacity of national private sector organizations. While there are still a lot more work to be done, the increase in funding has made a difference in the work of the Secretariat. The Secretariat was also able

to keep its operating costs to a minimum and ensured that it met the key requirements set by the Board with regards to personnel expenses. This will continue to be the trend in the coming years. Having done that, the Secretariat is pleased that almost 80.0% of the funds utilized during the year was used directly for the benefit of the private sector.

There are still areas for the Secretariat to improve its services to its members and this will be pursued with more vigor in the coming year.

### Looking Ahead

With the strengthening of the Secretariat and capacity building of the NPSOs, PIPSO together with the NPSOs will do more than promote and advocate the interests of businesses. As we move forward strategies will be put forth on how to attract and retain businesses, spearhead leadership development, consult and advise government about draft laws and regulations affecting trade and industry, develop strategies to prepare the labor force, create economic development initiatives, establish codes of conduct, and promote entrepreneurial climates for growth.

As with regional organisations, continuous funding is always a challenge. While overseas governments and international organisations provide funding for programmes and projects, very little or nothing at all is provided to support core funding. This is one area where the AusAID Pacific Leadership Programme is so unique, relevant and effective in dealing with development programmes in the Pacific. Their approach is holistic and commendable as they do not only provide funding for programmes but also core funding and support for capacity building and leadership programmes to organisations like PIPSO. It is hoped that new partnerships that will be formed in the coming years will consider this unique approach adopted by PLP.

For the year 2010, a lot of work has been achieved by the Secretariat and this is attributed to the hard work and commitment of the staff. I would like to thank the Chairman and other Board members for their continued support during the year.





“

“All this would not have been possible had it not been for PIPSO's contribution and importantly, your faith in Tabs Investments. I just wanted to say THANK YOU, for putting your hand up, when other organisations were inferior towards their commitment for taking a risk for establishing new market relationships.”

God Bless you and your team!

”

Uluibau Tabete  
Tabs Investment, Fiji



## Assistance to Private Sector Businesses under the Marketing Support Fund

### Natural Foods International of Samoa–Participation at the 44<sup>th</sup> Supermarket Tradeshow in Japan on 8<sup>th</sup> to 10<sup>th</sup> February, 2010



Natural Foods International of Samoa participated at the 44<sup>th</sup> Supermarket Tradeshow in Japan on 8<sup>th</sup> to 10<sup>th</sup> February 2010. The company was able to be represented at such a prestigious event through funding from the Marketing Support Fund (MSF). A leading manufacturing company in Samoa, the company exports local products such as taro, banana, breadfruit and cassava chips to markets in New Zealand, Australia and American Samoa. The company diversified its products to include breadfruit and cassava flour. Japan being the largest importer of non-wheat products, the company was eager to exhibit their cassava and breadfruit flour products to the Japanese market. With the company's participation at the Supermarket Show, they were able to gauge the demand for their products in the Japanese market. They met twenty-four potential clients and secured orders for some of their products and also discussed trade terms, product volume and pricing; and delivery standards with their agents.

### Rewa Provincial Holdings Limited of Fiji – Exploration Visit to Shanghai, China from 8<sup>th</sup> to 15<sup>th</sup> March, 2010

Rewa Sand Suppliers Limited, a subsidiary of Rewa Provincial Holdings Company Limited applied under the MSF to undertake an exploration visit to China. In order to meet the building industry's demand for quality sand, the company undertook the exploration visit to find a quality and cost efficient dredger to undertake dredging activities at the Rewa sand banks. The visit proved to be very successful as the company was able to engage a company in China to build a dredger to their specification and discuss technical specification of the machine to meet Fiji's requirements. In addition, the time frame for the completion of the machine was discussed. The acquisition of the dredger machine was a huge investment to the business as the dredger has enabled the company to excavate sand. The sand is in demand by construction businesses for making cement blocks and other building works.



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*A total of 19 companies from 7 countries were assisted during the year under this fund.*

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**Tonga National Arts and Handicrafts Association – Participation at the Pasifika Festival in Auckland, New Zealand on 13<sup>th</sup> March, 2010**

The Pasifika Festival 2010 in Auckland was attended by the Tonga National Artist and Handicraft Association (TNAHA) through funding from the MSF. The participants were micro-entrepreneurs in the handicraft informal sector. The MSF enabled ten (10) entrepreneurs to travel to New Zealand to promote their crafts, and to secure markets in New Zealand. After the event, the entrepreneurs were not only able to sell their products but secure three (3) markets to supply their handicrafts. In addition, the Festival enabled the entrepreneurs to gauge the demand for their products and improve the quality to meet the customers' requirement.



**Beachcomber Contemporary Art of Cook Islands – Participation at the Art Exhibition Show in New York on 15<sup>th</sup> March to 29<sup>th</sup> May, 2010**

Manuia an initiative of the Cook Island's Beachcomber Contemporary Art (BCA) Gallery is curated by BCA director Ben Bergman and artist Mahiriki Tangaroa. The exhibition is site-specific and the first ever contemporary art statement curated in the Cook Islands specifically for New York City. BCA was able to participate at the Manuia Art Show in New York on 15<sup>th</sup> March to 29<sup>th</sup> May. The Manuia Art Show was formally opened by the United Nations Development Program (UNDP) Administrator and former Prime Minister of New Zealand, Ms. Helen Clark. The Art Show enabled the company to create new market opportunities for Cook Islands and the Pacific Contemporary Art.

During the Art Show they sold some of the art works, acquired broader recognition and understanding of the Pacific Contemporary Art works and established strong network with other artists in New York. The Art Show has provided the company with more exhibition opportunities through invitations extended to the business to attend prominent art events.



Manuia successfully attracted sixty (60) people on the opening including art advisors Jane Sutherland, Debbi Gibbs & Virginia Lee-Webb, New Zealand Consulate General the Hon. Paul Gestro, Kiwi Club President (NYC) Aaron Snodgrass, Art Asia Pacific Editor Elaine Ng and ISCP Director Dennis Elliott. Most importantly BCA has successfully showcased to the modern arts community that small island nations like Cook Islands can hold its own amongst the international modern artists. The Manuia Art Show received a rave review in the Huffington Post's Social News.

**Samoa Outrigger Hotel's – Participation at the Bula Fiji Tourism Exchange Programme (BFTEP) in Nadi, Fiji on 19<sup>th</sup> to 21<sup>st</sup> May, 2010**

The Samoan Outrigger Hotel participated at the Bula Fiji Tourism Exchange Programme (BFTE) 2010 in Nadi, Fiji the on 19<sup>th</sup> to 21<sup>st</sup> of May. The company's participation at BFTE had enabled them to meet 35 different wholesalers, internet booking sites and various travel agents from Europe. The European market is vital to the business as it accounts for about 30.0% of its total revenue. In addition, the hotel received numerous responses from their current contracts. The BFTEP enabled the hotel to strengthen the working relationship it had with their





contractors and resulted in large number of bookings from them. The company successfully signed on three new contracts which will expand its market. Also the company has continued to be proactive after the BFTE by emailing their hotel information and images to travel agents in Europe who have indicated an interest to work with them.



**Hotel Millenia of Samoa – Participation at the Bula Fiji Tourism Exchange Programme (BFTEP) in Nadi, Fiji on 19<sup>th</sup> to 21<sup>st</sup> May, 2010**

Hotel Millennia through MSF support was able to attend the Bula Fiji Tourism Exchange Programme (BFTE) 2010 in Nadi, Fiji the on 19<sup>th</sup> to 21<sup>st</sup> of May. The hotel had hoped to increase its number of contracts signed in order for increased bookings and to increase awareness for its new services. Their participation proved to be very successful as they were able to increase the profile and awareness of Hotel Millenia as an alternate holiday destination to the wholesalers and agents attending. Also, the opportunity has enable Hotel Millenia to promote its new facilities that they have recently installed at their hotel in the hope of increasing their clientele to business groups, sports and school groups.



**Are Maunga Limited of Cook Islands – Production of Promotional Material on 14<sup>th</sup> April, 2010**

Are Maunga Limited which is a 100% locally owned business in Cook Islands was assisted to develop promotional materials. Being a small business in the tourism industry, the company sought funding for brochures, a road signage for their lagoon cruise and a new website to increase the company's awareness and marketing. The promotional materials were identified as an effective method to promote and market the business, to attract more customers and generate income as the hotel plans to expand and diversify its operations into lagoon tours and activities. The assistance provided by PIPSO was been a great boost in raising awareness for their business and their new lagoon tours.



**Pasefika Inn Hotel of Samoa – Production of Promotional Materials on 14<sup>th</sup> April, 2010**

Following the tsunami in Samoa in 2009, most hotels were adversely affected. The Inn applied for funding under the MSF to assist with the printing of brochures. The Inn was able to achieve name recognition in the sector as a reputable mid-sized hotel, raise their average bookings for the high and low seasons. In addition the brochures provided tourists with the information on the services provided by the Inn.





### **Kaikai Times of Cook Islands - Production of Promotional Materials, 7<sup>th</sup> May, 2010**

Kaikai Time is a food outlet and subsidiary of Smoking Products in Cook Islands. Under the MSF, the business was assisted with funding for a shop sign, flyers and a menu board. The promotional materials created a long term visual impact in marketing the business. Increase customer frequency, product choice and variation, improve food quality, and presentation, were some highlight which resulted from the production of promotional materials.



### **Mark Cross of Cross Publishing, Niue - Exploration Visit To Zurich, Mykonos & Milan from 20<sup>th</sup> April to 25<sup>th</sup> June, 2010**

Mark Cross of Cross Publishing undertook an exploration visit to Zurich, Mykonos and Milan on 20<sup>th</sup> April to 25<sup>th</sup> June 2010. The trip was made possible under the MSF scheme and the artworks are currently on show in Australasia, America and Europe. Established in Niue since 2005, Cross Publishing now incorporates the Tahiono Art Gallery – the face of contemporary art and jewellery in Niue. The Europe exploration visit was successful as Mark was able to increase awareness and marketability of his paintings and followed up on previously established contacts to facilitate exporting artwork from Niue to Europe in future. Exposure and opportunity provided by this trip has been an eye-opener in the new direction Mark's art can take and simple things like how to improve on the presentation of their own modest gallery in Niue.

### **Fiji Fashion Week Limited of Fiji - Promotional Material for World Expo at Shanghai, China, 10<sup>th</sup> June, 2010**

Fashion Week Limited of Fiji sought assistance under the Marketing Support Fund to produce promotional materials to enable the business to showcase itself at the Shanghai Expo 2010 in China. The business is engaged in showcasing upcoming line of clothing by various designers. The company is still in its incubation stage and is expanding its functions by staging fashion shows around the Pacific. The production of the promotional materials enabled the business to market itself locally and overseas.



### **Patricia Kohlase of Wilex Samoa Soaps & Detergent Products, Samoa - Participation at the World Expo 2010 in Shanghai, China on May to October, 2010**

Wilex Samoa Soaps and Detergents Products (WSSD) formerly known as Wilex Green Pacific Soaps Limited have been in business since 1998. The company benefited from the MSF scheme in 2010 to export its boutique products to Asia through the World Expo in Shanghai China held from May to October, 2010. WSSD had planned to develop its export market in Asia and also in the Pacific through the opportunities provided by the pending PICTA Trade Agreement (for export to neighboring islands). In attending the expo, the business learnt new methods to better promote its products, meet customers first hand and also meet with potential raw materials suppliers.





### **Stuff IT Niue - Develop a New Website on 10<sup>th</sup> June, 2010**

Stuff IT of Niue was granted funding from the Marketing Support Fund to develop a new website. The business decided to venture into online shopping to target both the local and overseas market by selling local handicrafts to ensure the sustainability of their business.

### **Katrina Adams of Kosrae Village Eco-lodge in FSM - Participation at the Diving Equipment and Marketing Association Show (DEMA) in USA on 17<sup>th</sup> to 20<sup>th</sup> November.**

Katrina Adams of Kosrae Village Eco-lodge participated at the Diving Equipment and Marketing Association Show (DEMA), on 17<sup>th</sup> to 20<sup>th</sup> November, 2010. DEMA is the primary dive travel trade show in the US and participation is mandatory if a business wishes to be taken seriously by the dive and travel industry. Attending the show enabled the company to: meet with travel wholesale agents, cement relationships with those who currently working with Kosrae Village Eco-Lodge and create new contacts. Before and after the show, the company was able to meet with US west coast agents, to attend mini seminars focusing on sales staff. The company also attended underwater photographic society meetings.

### **Produce Specialties Limited of Fiji - Participation at the Asia Fruit Logistica in Hong Kong on 8<sup>th</sup> to 10<sup>th</sup> September, 2010**



Produce Specialties Limited participated at the Asia Fruit Logistica in Hong Kong on 8<sup>th</sup> to 10<sup>th</sup> September, 2010. The company's objectives were to obtain new markets for their Hawaiian pawpaw and ginger. Their participation at the Asia Fruit Logistica 2010 was a great success for the company. The company secured papaya trial orders for Hong Kong, Holland and Japan. In addition they are still in dialogue with potential importers in Canada, Russia and Australia. Overall the company received fifteen (15) enquiries for pawpaw, six (6) enquiries for ginger and four (4) enquiries for frozen products.

### **Tabs Investment of Fiji, Mahogany Expedition Tour on 29<sup>th</sup> to 30<sup>th</sup> July, 2010**



The Fiji Mahogany Expedition Tour was organized by Tabs Investments for Taylor Guitars. Taylor Guitars, a renowned American company that uses genuine mahogany for solid guitar necks for 80.0% of their guitars, were interested in Fiji's mahogany. The expedition allowed





representatives of Taylor Guitars to meet with individuals of Fiji's Mahogany Industry, conduct tours of relevant sites such as plantation resources, manufacturing process facilities and logistic service providers. At the end of the tour, the management of Taylor Guitars had expressed interest to import Mahogany timber via Tabs Investment. At the end of the year Tabs Investments had received a confirmed order from Taylor Guitars.

**Kingfisher Boat & Fishing Charters of Kiribati - Participation at the Melbourne Fishing & Boating Expo on 3<sup>rd</sup> to 5<sup>th</sup> September, 2010**

Kingfisher Boat & Fishing Charters participated at the Melbourne Fishing & Boating Expo on 3<sup>rd</sup> to 5<sup>th</sup> September, 2010. The locally owned business was established in March 2008. The company's attendance at the Fishing and Boating Expo was a great learning experience for them. The company learnt new tactics for successfully running their business. In addition they acquired knowledge on how to aggressively market their business and attract customers. The company implemented newly learnt methods of marketing and promoting their business to increase sales. As a result of their participation at the expo. Also, the company has received several enquiries from several holiday makers and travel agents in Kiribati and Australia who are genuinely interested in selling their packages at the show in Melbourne.



**Sea-Kayak Fiji Limited - Participation at the Annual Conference and Exhibition in USA on 21<sup>st</sup> to 23<sup>rd</sup> October and 11<sup>th</sup> to 13<sup>th</sup> November, 2010**

Sea-Kayak Fiji Limited (SKFL) attended the Association of Outdoor Recreation and Education (AORE) conference

and exhibition to promote the company's outdoor and education activities. The company's objective in attending the AORE was to increase new client groups booking on Fiji Study Programs following in-person meetings between SKFL and key representatives of educational institutions, increase past client group re-booking for return trips, following successful experiences, continued contact with SKFL, increase and market SKFL's profile and brand awareness among its target market (educational institutional in the United States). As a result of the company's attendance, they have successfully attracted seven (7) US groups from the different educational institutions that are part of the ACA & AORE.

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PIPSO is indeed grateful to the Japanese Government for providing the funds and also at the same time agreeing to the changes made to the fund to make it effective for the private sector.

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Again thank you very much for the opportunity that PIPSO have offered Tonga and its Private Sectors. I do believe that on the other hand the training was very effective and useful for those that attended. It definitely has also given us good lessons to learn from as to hosting more effective business training and workshops in the future.

Vinaka Vakalevu

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**Tevita Lautaha**  
Tonga Trade and Investment Division  
Ministry of Labour, Commerce & Industries  
Fasi-moe-Afi  
TONGA





## Capacity Building Assistance to National Private Sector Organizations

### **Tuvalu National Private Sector Organisation (TNPSO), National Trade Fair and Business Awards, Tarawa, Kiribati, 21<sup>st</sup> to 26<sup>th</sup> June, 2010**

TNPSO participated at the National Trade Fair and Business Award in Tarawa, Kiribati. This was made possible through the financial support of PIPSO. The purpose of their attendance was to take part in the Trade Fair by exhibiting the handicrafts products and music of Tuvalu and attend the Business Award. From the attendance to the above event, TNPSO had taken immediate actions to strengthen collaboration between the TNPSO and the government. In addition, an annual business event is being planned for the Tuvalu private sector to encourage and acknowledge the businesses' contribution to the Tuvalu economy.

### **Samoa Chamber of Commerce & Industry (SCCI), ILO-ITC Training, Turin, Italy, 5<sup>th</sup> to 16<sup>th</sup> July, 2010**

Funding assistance was provided to the Samoa Chamber of Commerce and Industry to enable their Training Officer to participate at the ITC-ILO Training in Turin, Italy. The training was a vital component to develop staff capacity to better coordinate and manage in-country training courses. The course provided in depth knowledge and skills to train and strengthen the Chamber's capacities for assessing and re-organizing workflows, strengthen and better coordinate their training programmes.

### **Tonga Chamber of Commerce & Industry (TCCI), Pasifika Trade Fair and Business Training, Nuku'alofa, 21<sup>st</sup> to 23<sup>rd</sup> October, 2010**

PIPSO provided funding to TCCI to provide some business training events at the Pasifika Trade Fair held at Nukualofa. The training was to address the issue highlighted by Tonga's businesses of the need to further develop and enhance the skills and knowledge of the local entrepreneurs and business

especially at the SMEs and MSMEs level within the areas of value adding, packaging, labeling, writing funding proposal, drafting of business proposal, marketing, successful managing of a small business and product development. The funding allowed three resource persons from New Zealand to undertake the training.

### **Solomon Islands Chamber of Commerce & Industry (SICCI), Attendance at Australia-Solomon Islands Business Council Forum, Brisbane, Australia, 22<sup>nd</sup> October, 2010**

PIPSO assisted the CEO of SCCI in attending the Australia-Solomon Islands Business Council Forum in Brisbane where he made a presentation on the private sector's role and responsibility in policy development and the need for increased collaboration with government so that the private sector challenges can be addressed and outcomes reached are beneficial to the economy as a whole. The Solomon Islands economy has growing opportunities for Australian businesses for trade and investment and the one day forum featured expert presentation on the current political, economic, commercial and investment climate in the Solomon Islands.

### **Samoa Chamber of Commerce & Industry (SCCI), Negotiating Skills Workshop, Apia, Samoa, 15<sup>th</sup> to 16<sup>th</sup> November, 2010**

The Samoa Chamber of Commerce and Industry organized a negotiating skills workshop for their members. The workshop trained participants in the art of effective negotiation particularly on how to handle work disputes in a fair manner and on how to rebuild trust in a workplace. The two-day long workshop was hailed a success as the participants acquired valuable knowledge that could be applied to the workplace. This would ensure employer-employee work relationship is strengthened and lead to a productive workforce.





**Business Training at the SPC Community Education Training Centre, Suva, 1<sup>st</sup> to 12<sup>th</sup> November, 2010, Supported 3 Trainers from Tonga and Samoa**

PIPSO provided funding for three SME participants to the “Improving Business Performance” for Small to Medium Enterprises (SMEs) conducted by CETC of SPC. Two of participants were from the Tonga SME and the other from the SME in Samoa. The course included five modules in the areas of assessing and evaluating current business performance, market planning, product development, sales strategy and client fulfilment. Equipped with knowledge imparted from the two weeks SME training, the three participants returned to their home countries and provided training for their respective business community in collaboration with their NPSOs.

**Tuvalu National Private Sector Organization (TNPSO), Corporate Governance and Strategic Workshop, Funafuti, Tuvalu, 10<sup>th</sup> to 13<sup>th</sup> December, 2010**

To improve its organization structure, plans and capacities, TNPSO organized a Corporate governance and strategic planning workshop. Funded by ILO and PIPSO the three days workshop was attended by TNPSO members, staff, non-government organisations, civil society and government officials. The key resource person for the workshop was Mr. Dragan Radic, a DWT Specialist from Bangkok. The workshop covered Corporate Governance which is an essential tool for management of an organization and to improve its effectiveness, transparency and accountability. In addition the workshop provided the Board members of TNPSO an understanding of strategic planning and assisted them to develop a strategic plan for TNPSO.

**Fiji Commerce & Employers Federation (FCEF), Training Attachment with Singapore National Employers Organisation (SNEO), 13<sup>th</sup> to 15<sup>th</sup> December, 2010**

FCEF was provided funding to allow their Training Officer to undertake a three days training attachment with, the Singapore National Employers Organisation (SNEO).

The attachment was to understudy the processes implemented by SNEO that would assist FCEF to improve their functions by providing better services to their members in order to increase its membership and funding opportunities. The training attachment provided an opportunity for FCEF to gain valuable knowledge that will assist them tremendously in strengthening and developing their capabilities to serve the interest of the private sector in Fiji well.



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*In order to clearly articulate views of the Private Sector and also provide worthwhile contribution to national Governments on Private Sector development, strong NPSOs are needed.*

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This visit provided the opportunity to observe how CAIC operated and coordinated private sector dialogue with CARICOM Ministers

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Hafiz Khaz, June 2011  
CAIC Visit







## Enhancing Partnerships – Regional and International

One of PIPSO's strategic goals is to build partnerships by providing policy advice to PIFS on private sector development policies, assist members formulate national private sector strategies and policies and advocate the interests of the private sector at regional and international levels.

With the implementation of the Private Sector Dialogue with the Forum Leaders for the first time in August at Port Vila in Vanuatu, this forum allowed the private sector from the Pacific to highlight an important issue that is proving to be a real challenge for the private sector and that is access to finance.

### Access to Finance

The private sector statement to the Forum Leaders stated that “less than 20% of adults in the Pacific have access to financial services, and fewer still have access to credit. Small and medium enterprises make up much of the private sector in the Pacific, and these enterprises face great difficulty accessing finance to support their establishment and growth.”

The statement noted that one of the most significant impacts of the global economic crisis was the tightening of capital around the world. In the Pacific, this exacerbated the existing challenge faced by the private sector when accessing finance. Compared to similar developing countries, the Pacific has a very low level of credit for its level of income, and interest rates are high.

The dialogue heard from private sector representatives that when the crisis hit, many banks limited access to finance for small to medium enterprises. This sudden withdrawal of financing services made the already fragile private sector less able to withstand the crisis.

In view of the experiences in many countries the private sector requested the Leaders to work with commercial

banks to ensure that lending and overdraft services are maintained during times of economic uncertainty.

Furthermore start-up enterprises often have difficulty obtaining credit, particularly when entrepreneurs lack access to land as collateral. Pacific island women are particularly affected by this problem, as many are unable to hold title to the land. The introduction of frameworks that allow collateralization of customary land, moveable assets, such as equipment and jewellery, and intangible assets, such as intellectual property rights, can improve access to finance for entrepreneurs and increase the diversity of participants in the private sector.

After the Forum Leaders meeting, the Chair of PIPSO presented the same statement to the Forum Economic Ministers Meeting at Alofi, Niue in October. It was emphasized to the Ministers that concrete steps were required to be taken in order to improve access finance to the private sector in the Pacific.

The Secretariat has noted that some work have been undertaken in this area by some international organisations like ADB, IFC, World Bank. This is expected to progress in the coming years.

### Women in Business

During the year, PIPSO was quite active in attending regional and international meetings to advocate the interests of the private sector in the Pacific.

Another important issue with regards to private sector development is women in business. With the increase participation of women in business and with most still in the informal sector, it was important that the challenges faced by the women are made known and resolved. In this regard the IFC, International Trade Centre (ITC) and supported by the Australian Government's overseas aid program (AusAID) organized a first women in business workshop in March at Port Vila, Vanuatu.





The Workshop highlighted the lack of institutional support and the need for stronger advocacy in the national economies for women involved in business both in the formal and informal sector. More importantly the national governments of the Pacific Islands need to formally recognize the contributions of the informal sector to the economy as evidenced by the absence of any informal sector policy.

Challenges faced by women in the Pacific region as echoed by the participants include (but not limited to):

- Access to land
- Access to finance
- Limited government support for women in business
- Limited information on business opportunities, way to improve business, access to business support activities, markets etc
- Limited consolidation efforts to bring women in business together at national and regional levels
- Challenges of culture and sensitivities to women

A number of outcomes were put forward. The participants agreed that the issues highlighted were to be raised and followed through by the Pacific Islands Private Sector Organizations (PIPSO) with the National Private Sector Organizations and bring to the attention on Forum Leaders through the Economic and Trade Ministers Meetings (FEMM & FTMM).

PIPSO had forwarded the outcomes documents from the meeting to PIFS to include in their policy advice to national governments. Furthermore a number of the issues raised were also raised at the dialogue in Vanuatu and brought to the attention of Forum Leaders and Forum Economic Ministers.

### **Caribbean Association of Industry and Commerce (CAIC)**

The Caribbean Association of Industry and Commerce (CAIC) is an umbrella organization for private sector representative bodies. They are a supporting voice at the regional level for national

representative bodies and seek to impact upon the development, growth and competitive positioning of the Caribbean business environment through partnership activities.

PIPSO being modeled on CAIC entered into a formal partnership which was formally signed by the Chair upon his visit to the organization in June. At this visit he also attended the official opening of the 5<sup>th</sup> Annual Private Sector meeting with CARICOM Ministers of Finance and Ministers of Trade. The relationship with CAIC is expected to increase in the coming year.

### **Regional Collaboration**

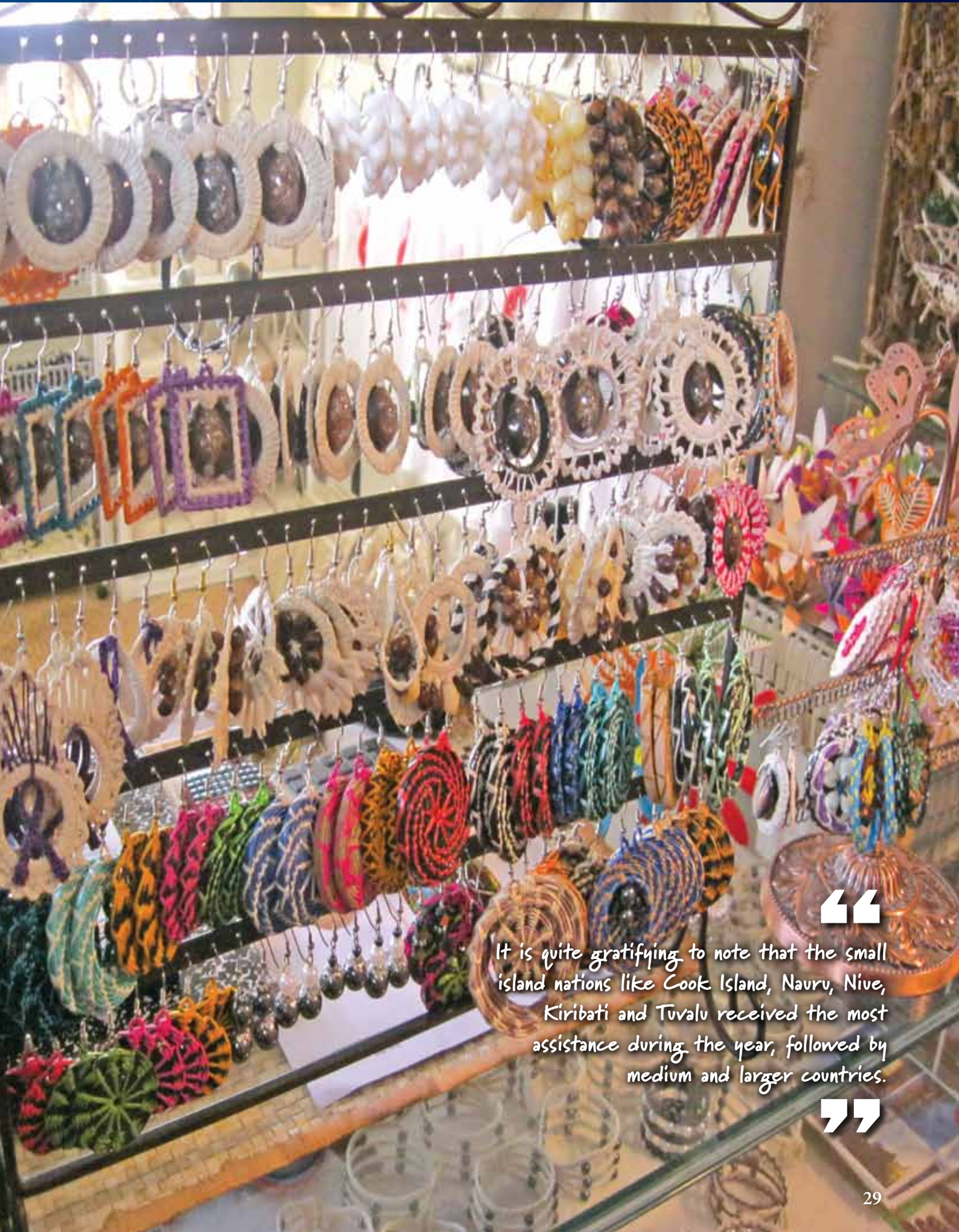
A regional workshop and business forum were organized by PIPSO. This is to bring together the private sector to discuss and find solutions on the issues that they currently faced. Moreover it was also an opportunity to conduct one to one business meetings and business visits in Fiji.

In both these forums, a stronger call was made for more regional collaboration and the effective coordination of development work in the private sector by organisations and institutions undertaking work in the private sector.

A number of other regional and international meetings were attended by PIPSO. This served to increase the awareness of PIPSO's role and its work in the region. Similarly a number of partnerships were forged and strengthen during year.

As the Secretariat begins to build its capacity, there are still areas that need to be addressed to ensure that PIPSO effectively serves the private sector interests in the Pacific.





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It is quite gratifying to note that the small island nations like Cook Island, Nauru, Nive, Kiribati and Tuvalu received the most assistance during the year, followed by medium and larger countries.

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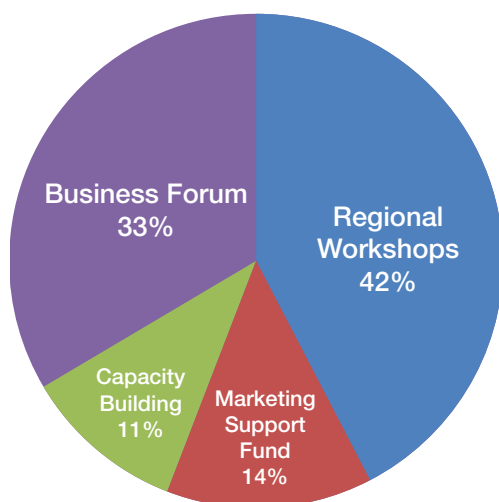


## Direct Financial Benefits to Members'

### Direct Financial Benefits to Members'

PIPSO assists members directly and indirectly. In 2010 the level of assistance provided to the members increased significantly. As PIPSO was gaining recognition of its role and the work it carries out for its members, the number of partnerships and engagements with regional and international organizations increased. A total of FJD 695,510.61 was committed directly to the members of PIPSO. This was 55.8% of its annual budget in 2010. Of the total direct financial assistance 42.0% of the funds were spent on regional workshops and training to the private sector from the region. A further 33.0% was utilized to facilitate the Pacific Islands Business Forum held in December 2010 and fund regional participants attendance. 25.0% of the total budget supported the Marketing Support Fund (MSF) and the NPSO Capacity Building Scheme. PIPSO is looking to increase support under the MSF in 2011, with the planned review of the MSF Guidelines.

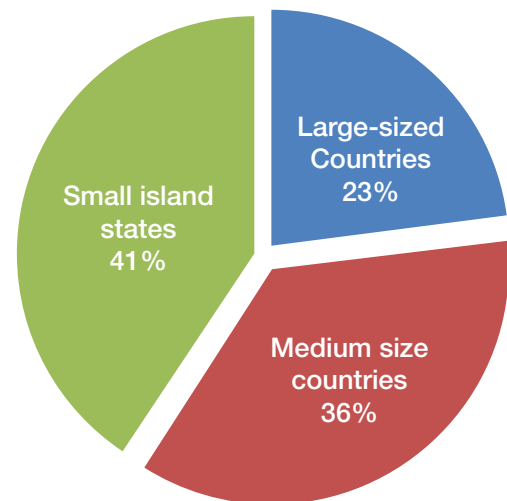
**Categories of Assistant to PIPSO Members for 2010**



Source: PIPSO, 2010

A large proportion of the funds supported the Smaller Island States of Cook Islands, Nauru, Niue, Palau, FSM, RMI, Kiribati and Tuvalu received 39.6% of the total funds directly distributed by PIPSO. Most of these funds assisted their participation at the regional workshops and the Pacific Islands Business Forum. Cook Islands also benefited a lot from the marketing support fund.

**Direct Financial Assistance to PIPSO Members for 2010**



Source: PIPSO, 2010

Arising from these workshops, more work is needed to be undertaken by the Secretariat to increase its engagement and work with small island countries. These include capacity building to strengthen the NPSOs, private and public dialogue, training programmes which include awareness on trade matters and trade agreements.





## BDF& CBF Recipients 2010

| No | Company  | Country      | Industry         | Funding Category      | Activity  |
|----|--|--------------|------------------|-----------------------|---|
| 1  | Are Maunga Ltd                                 | Cook Islands | Tourism          | Promotional materials | New website, road signage & flyers  |
| 2  | Beachcomber Contemporary Art                   | Cook Islands | Trade & Services | Exhibition            | Manuia Art Show in New York, 15 March - 29 May  |
| 3  | Bergman & Sons Ltd                             | Cook Islands | Trade & Services | Exhibition            | Manuia Art Show in New York, 15 March - 29 May  |
| 4  | Kaikai Time                                    | Cook Islands | Trade & Services | Promotional materials | Flyers, utebox sign and sandwich menu board   |
| 5  | Fiji Fashion Week Ltd                          | Fiji         | Trade & Services | Promotional materials | PVC banner, DVD, catalogues and business cards  |
| 6  | Produce Specialities                           | Fiji         | Agriculture      | Exhibition/Conference | Asia Fruit Logistica 2010, 8-10 October   |
| 7  | Rewa Sand Suppliers Ltd                        | Fiji         | Manufacturing    | Exploration visit     | Exploration visit to Shanghai, China  |
| 8  | Sea Kayak Fiji Ltd                             | Fiji         | Tourism          | Exhibition/Conference | Appalachian College Association (ACA) and the Association of Outdoor Recreation and Education (AORE). |
| 9  | Tab's Investment                               | Fiji         | Manufacturing    | Engagement of expert  | Taylor Guitar to inspect Fiji's mahogany industry.  |
| 10 | Kosrae Village Eco-Lodge                       | FSM          | Tourism          | Exhibition/Conference | Diving Equipment and Marketing Association (DEMA) Show in Nevada, USA, 17- 20 November.               |
| 11 | Kingfisher Boat & Fising Charters              | Kiribati     | Tourism          | Exhibition/Conference | Melbourne Fishing & Boating Expo 2010, Melbourne, Australia, 3 – 5 September.                         |
| 12 | Cross Publishing Co Ltd                        | Niue         | Trade & Services | Exploration visit     | Exploration Visit to the Art Galleries in Europe  |
| 13 | Stuff IT Niue                                  | Niue         | Trade & Services | Promotional materials | New website   |
| 14 | Hotel Millenia Samoa                           | Samoa        | Tourism          | Exhibition/Conference | Bula Fiji Tourism Exchange 2010 (BFTE), Nadi, Fiji, 19-21 May.  |
| 15 | Natural Foods International Ltd                | Samoa        | Manufacturing    | Exhibition/Conference | 44th Supermarket Trade Show 2010, Tokyo, Japan, 08 - 10 February 2010.                                |
| 16 | Pasefika Inn Hotel                             | Samoa        | Tourism          | Promotional materials | Brochures   |
| 17 | The Samoa Outrigger Hotel                      | Samoa        | Tourism          | Exhibition/Conference | Bula Fiji Tourism Exchange 2010 (BFTE) in Nadi, Fiji on 19-21 May.                                    |
| 18 | Willex Samoa Soaps & Detergents Products       | Samoa        | Manufacturing    | Exhibition/Conference | World Expo 2010 in Shanghai, China , May-October, 2010.   |
| 19 | Tonga National Artist & Handicraft Association | Tonga        | Trade & Services | Exhibition/Conference | Pasifika Festival 2010, Auckland, New Zealand, 13 March   |

| No | NPSO  | Country    | Capacity Building Activity                                  |
|----|---|------------|---|
| 1  | Samoa Chamber of Commerce & Industry            | Samoa      | ITC-ILO Training, Turin, Italy                              |
| 2  | Tuvalu National Private Sector Organisation     | Tuvalu     | National Trade Fair & Business Awards, Tarawa, Kiribati     |
| 3  | Tonga NPSO                                      | Tonga      | Pasifika Trade Fair Business Training                       |
| 4  | Solomons Islands Chamber of Commerce & Industry | Solomon Is | Australia-Solomon Is Business Council, Brisbane, Australia  |
| 5  | Samoa Chamber of Commerce & Industry            | Samoa      | Negotiating Skills Workshop, Samoa                          |
| 6  | Tuvalu National Private Sector Organisation     | Tuvalu     | Corporate Governance & Strategic Workshop, Funafuti, Tuvalu |
| 7  | Fiji Commerce & Employers Federation            | Fiji       | Attachment with Singapore National Employers Organisation   |



## PIPSO MEMBERS 2010

### Regular Members

- Cook Islands Chamber of Commerce (CICC)
- Fiji Commerce & Employers Federation (FCEF)
- Palau Chamber of Commerce
- Niue Business Centre (NBC)
- Federated States of Micronesia Association of Chambers of Commerce (FSMACC)
- Marshall Islands Chamber of Commerce & Industry
- Solomon Islands Chamber of Commerce & Industry (SICCI)
- Samoa Chamber of Commerce Inc (SCCI)
- Papua New Guinea Chamber of Commerce & Industry (PNGCCI)
- Vanuatu Chamber of Commerce & Industry (VCCI)
- Kiribati Chamber of Commerce
- Tuvalu National Private Sector Organisation (TNPSO)
- Nauru Chamber of Commerce
- Tonga Chamber of Commerce & Industry (TCCI)

### Affiliate Members

- Fiji Export Council
- Pacific Technologies Ltd
- Pacific Cooperation Foundation
- PNG Ports Corporation Limited





## FINANCIAL STATEMENTS

### 31 DECEMBER 2008

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## FINANCIAL STATEMENTS

### 31 DECEMBER 2008

1

#### **DIRECTORS' REPORT**

In accordance with a resolution of the Board of Directors, the directors herewith submit the balance sheet of the organisation as at 31 December 2010, and the related statement of income and expenses, cash flows and changes in equity for the year ended on that date and report as follows:

#### **1 DIRECTORS**

The following were directors of the organisation at any time during the financial year and up to the date of this report:

Hafiz ud Dean Khan – Chair

Epa Tuioti - Vice Chair

John Leahy

Teresa Manarangi-Trott

Martin Tofinga

Francis Remengesau – appointed on 29 June 2010

Paula Taumoepeau – appointed on 29 June 2010

Daniel Tuhonuku – Alternate Director – appointed on 29 June 2010

Henry Kila – up to 5 January 2010

James Movick – up to 29 June 2010

Siotame Nakao – up to 29 June 2010

#### **2 PRINCIPAL ACTIVITY**

The principal activity of the organisation is to be the premiere regional organisation to represent the interests of private enterprise regionally and internationally.

During the year ended 31 December 2010 there has been no material change in the nature of the organisation's activities or in the classes of activities in which the organisation has an interest.

#### **3 OPERATING RESULTS**

The surplus in income over expenditure for the year ended 31 December 2010 was \$279,191 (2009 deficit: \$57,629).

#### **4 RESERVES**

The directors recommend that no amounts be transferred to reserves in respect of the year ended 31 December 2010.

#### **5 BAD AND DOUBTFUL DEBTS**

The directors took reasonable steps before the financial statements were made out, to ascertain that all known bad debts be written off and adequate provision was made for doubtful debts. In 2010, the provision for doubtful debts is \$21,091 (2009: \$25,499) and \$751 have been written off as bad debts for 2010 (2009: Nil) which related to the membership fee and registration fee from several members.





## FINANCIAL STATEMENTS

### 31 DECEMBER 2008

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#### **DIRECTORS' REPORT - continued**

##### **6 CURRENT ASSETS**

The directors took reasonable steps before the financial statements were made out to ascertain that the current assets of the organisation were shown in the accounting records at a value equal to or below the value that would be expected to be realised in the ordinary course of the business. At the date of this report, the directors are not aware of any circumstances, which would render the values attributable to the current assets in the organisation's financial statements misleading.

##### **7 BASIS OF ACCOUNTING**

The directors believe the basis of the preparation of financial statements is appropriate and the organisation will be able to continue in operation for at least twelve months from the date of this report. Accordingly the directors believe the classification and carrying amounts of assets and liabilities as stated in these financial statements to be appropriate.

The directors believe that at the date of this statement there are reasonable grounds to believe the organisation will be able to pay its debts as and when they fall due.

##### **8 EVENTS SUBSEQUENT TO BALANCE DATE**

No charge on the assets of the organisation has arisen since the end of the financial year to the date of this report to secure the liabilities of any other person.

No contingent liability has arisen since the end of the financial year to the date of this report.

No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the organisation meet their obligations as and when they fall due.

##### **9 OTHER CIRCUMSTANCES**

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements, which would render any amounts stated in the financial statements misleading.

##### **10 UNUSUAL TRANSACTIONS**

The results of the company's operations during the financial year have not in the opinion of the directors been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

Signed in accordance with a resolution of the directors this 22<sup>nd</sup> day of June 2011.

**DIRECTOR****DIRECTOR**



## FINANCIAL STATEMENTS 31 DECEMBER 2008

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### STATEMENT BY DIRECTORS

In the opinion of the directors:

- (a) the accompanying income statement is drawn up so as to give a true and fair view of the results of the organisation for the year ended 31 December 2010,
- (b) the accompanying balance sheet is drawn up so as to give a true and fair view of the state of the organisation's affairs as at 31 December 2010,
- (c) the accompanying statement of changes in equity is drawn up so as to give a true and fair view of the movement in shareholders' funds of the organisation for the year ended 31 December 2010, and
- (d) the accompanying cash flow statement is drawn up so as to give a true and fair view of the cash flows of the organisation for the year ended 31 December 2010.

Signed in accordance with a resolution of the directors this ~~22nd~~ <sup>22nd</sup> day of June 2011.

DIRECTOR

DIRECTOR



# INDEPENDENT AUDITOR'S REPORT

4



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Pacific Islands Private Sector Organisation

We have audited the accompanying financial statements of Pacific Islands Private Sector Organisation which comprise the balance sheet as of 31 December 2010 and the statements of income and expenses, changes in equity and cash flows for the year then ended 31 December 2010 and a summary of significant accounting policies and other explanatory notes as set out on pages 10 to 15.

### *Directors' and Management's Responsibility for the Financial Statements*

Directors and Management are responsible for the preparation and fair presentation of these financial statements in accordance with Fiji Accounting Standards and with the requirements of the Fiji Companies Act, 1983. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

This report is made solely to the Board of Directors of the Pacific Islands Private Sector Organisation, as a body. Our audit work has been undertaken so that we might state to the Organisation's Board of Directors 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 Organisation and its Board of Directors as a body, for our audit work, for this report, or for the opinions we have formed. 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. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 judgment, 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 accounting policies used and the reasonableness of accounting estimates made by directors and management, as well as evaluating 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.

PricewaterhouseCoopers, Level 8 Civic Tower, 272 Victoria Parade, Suva, Fiji Islands  
GPO Box 200, Suva, Fiji Islands.  
T: (679)3313955 / 3315199, F: (679) 3300981 / 3300947





**Audit Opinion**

In our opinion

- (a) proper books of account have been kept by the organisation, so far as it appears from our examination of those books, and
- (b) the accompanying financial statements which have been prepared in accordance with Fiji Accounting Standards:
  - (i) are in agreement with the books of account;
  - (ii) to the best of our information and according to the explanations given to us:
    - a) give a true and fair view of the state of affairs of the organisation as at 31 December 2010 and of its financial performance, changes in equity, and its cash flows for the year ended on that date;
    - b) give the information required by the Fiji Companies Act, 1983 in the manner so required.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

Suva, Fiji

17 June 2011

  
PricewaterhouseCoopers



## STATEMENT OF INCOME AND EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2010

6

|  | Notes | 2010<br>\$                 | 2009<br>\$                  |
|--|-------|----------------------------|-----------------------------|
| <b>Income</b>                                |       |                            |                             |
| Grant  | 10    | 1,192,798                  | 361,189                     |
| In-kind contributions – with cash in flow    | 10    | -                          | 6,236                       |
| In-kind contributions – without cash in flow | 11    | -                          | 55,844                      |
| Membership fees                              | 16    | 38,000                     | 35,986                      |
| Registration fees                            |       | 17,099                     | 19,330                      |
| Refund of prior years surplus                | 13    | -                          | ( 31,474)                   |
| Other income                                 |       | <u>360</u>                 | <u>-</u>                    |
|  |       | <u>1,248,257</u>           | <u>447,111</u>              |
| <b>Expenses</b>                              |       |                            |                             |
| Salaries and wages                           |       |                            |                             |
| - paid by PIPSO                              |       | ( 216,765)                 | ( 100,109)                  |
| - funded by donors                           | 11    | -                          | ( 31,133)                   |
| Duty travel                                  | 14    | ( 40,272)                  | ( 32,473)                   |
| Consultancy fees                             |       | ( 16,071)                  | ( 97,478)                   |
| Grants for projects / seminars               |       | ( 128,390)                 | -                           |
| Meetings and workshops                       | 15    | ( 484,897)                 | ( 169,038)                  |
| Office expenses                              |       | ( 46,310)                  | ( 55,979)                   |
| Other operating expenses                     |       | <u>( 36,361)</u>           | <u>( 18,530)</u>            |
|  |       | <u>( 969,066)</u>          | <u>( 504,740)</u>           |
| Surplus/(deficit) for the year               | 3     | <u>\$ 279,191</u><br>===== | <u>(\$ 57,629)</u><br>===== |

The statement of the income and expense is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 15.



# **BALANCE SHEET** **31 DECEMBER 2010**

**7**

|                               | Notes | 2010<br>\$          | 2009<br>\$         |
|-------------------------------|-------|---------------------|--------------------|
| <b>Current Assets</b>         |       |                     |                    |
| Cash on hand and in bank      |       | 357,527             | 72,083             |
| Receivables                   | 4     | 12,361              | 1,479              |
| Refundable deposits           | 5     | <u>1,186</u>        | <u>1,186</u>       |
|                               |       | <u>371,074</u>      | <u>74,748</u>      |
| <b>Non-Current Assets</b>     |       |                     |                    |
| Property, plant and equipment | 6     | <u>8,171</u>        | <u>6,686</u>       |
| <b>TOTAL ASSETS</b>           |       | <u>379,245</u>      | <u>81,434</u>      |
| <b>Current Liabilities</b>    |       |                     |                    |
| Payables and accruals         | 7     | <u>47,988</u>       | <u>29,368</u>      |
| <b>TOTAL LIABILITIES</b>      |       | <u>47,988</u>       | <u>29,368</u>      |
| <b>NET ASSETS</b>             |       | \$ 331,257<br>===== | \$ 52,066<br>===== |
| <b>EQUITY</b>                 |       |                     |                    |
| Retained earnings             |       | 321,214             | 42,023             |
| Donor grant reserve           | 12    | <u>10,043</u>       | <u>10,043</u>      |
|                               |       | \$ 331,257<br>===== | \$ 52,066<br>===== |

The balance sheet is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 15.

These financial statements are approved in accordance with a resolution of the Board of Directors.

For and on behalf of the Board

DIRECTOR

DIRECTOR





## STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 DECEMBER 2010

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|                                      | Note | Retained<br>Earnings       | Donor Grant<br>Reserve    | Total                      |
|--------------------------------------|------|----------------------------|---------------------------|----------------------------|
|                                      |      | \$                         | \$                        | \$                         |
| <b>Balance at 31 December 2008</b>   |      | 99,652                     | 11,143                    | 110,795                    |
| Donor grant utilised during the year | 12   | -                          | ( 1,100)                  | ( 1,100)                   |
| Net deficit for the year             |      | ( 57,629)                  | -                         | ( 57,629)                  |
| <b>Balance at 31 December 2009</b>   |      | 42,023                     | 10,043                    | 52,066                     |
| Net surplus for the year             |      | 279,191                    | -                         | 279,191                    |
| <b>Balance at 31 December 2010</b>   |      | <u>\$ 321,214</u><br>===== | <u>\$ 10,043</u><br>===== | <u>\$ 331,257</u><br>===== |

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 15.



## CASH FLOW STATEMENT YEAR ENDED 31 DECEMBER 2010

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|   | 2010<br>\$                 | 2009<br>\$                |
|---|----------------------------|---------------------------|
| <b>Cash flows from operating activities</b>             |                            |                           |
| Membership fees   | 39,966                     | 31,524                    |
| Grants:   |                            |                           |
| Operating   | 1,192,798                  | 361,189                   |
| Project   | ( 128,390)                 | ( 1,100)                  |
| Other income  | -                          | 6,236                     |
| Registration fees                                       | 16,499                     | 19,330                    |
| Payments to suppliers                                   | ( 830,556)                 | ( 445,950)                |
| Net cash provided by operating activities               | <u>290,317</u>             | <u>( 28,771)</u>          |
| <b>Cash flows from investing activities</b>             |                            |                           |
| Acquisition of property, plant and equipment            | ( 4,873)                   | ( 6,827)                  |
| Net cash used in operating activities                   | <u>( 4,873)</u>            | <u>( 6,827)</u>           |
| Net increase/(decrease) in cash and cash equivalents    | 285,444                    | ( 35,598)                 |
| Cash and cash equivalents at the beginning of the year  | <u>72,083</u>              | <u>107,681</u>            |
| <b>Cash and cash equivalents at the end of the year</b> | <b>\$ 357,527</b><br>===== | <b>\$ 72,083</b><br>===== |

The cash flow statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 15.





## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

10

### 1 GENERAL

The principal activity of the organisation is to represent the interests of private enterprise regionally and internationally.

The company is limited by guarantee and not having a share capital, incorporated and domiciled in the Republic of the Fiji Islands and its registered office is located at Ryoichi Jinnai Conference Centre, Pacific Islands Forum Secretariat, Ratu Sukuna Road, Suva.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the organisation are stated to assist in the general understanding of these financial statements

#### 2.1 Basis of Accounting

The financial statements have been prepared in accordance with the requirements of the Fiji Accounting Standards. The financial statements have been prepared primarily on the basis of historical costs and except where specifically stated, do not take into account current valuations of non-current assets.

#### 2.2 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost.

#### 2.3 Receivables

Receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision is raised for any doubtful debts based on a review of all outstanding amounts. Bad debts are written off during the year in which they are identified.

#### 2.4 Foreign currency

All amounts in foreign currencies at balance date are translated to Fiji dollars at the rates of exchange prevailing at year end. All transactions during the year denominated in foreign currencies are translated at rates ruling at the transaction date.

Exchange differences are brought to account in determining the results for the year.

#### 2.5 Income

Income is recognised when the right to receive payment is established.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 - continued

11

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

#### 2.6 Income tax

The organisation's income is exempt from income tax in accordance with Section 17 (24) of the Income Tax Act.

#### 2.7 Reporting currency

All figures are recorded in Fiji currency.

### 3 SURPLUS FROM OPERATIONS

The surplus for the year has been determined after charging as expenses/(income):

|  | 2010<br>\$ | 2009<br>\$ |
|--|------------|------------|
| Reversal of/(provision for) doubtful debts | ( 4,408)   | 5,700      |
| Audit fees                                 | 6,000      | 2,750      |
| Bad debts written off                      | 751        | -          |

### 4 RECEIVABLES

|  | 2010<br>\$       | 2009<br>\$      |
|--|------------------|-----------------|
| Subscriptions  | 22,933           | 25,499          |
| Less: Provision for doubtful debts for the following |                  |                 |
| - Vanuatu  | ( 8,045)         | ( 8,000)        |
| - Fiji Islands                                       | ( 5,000)         | ( 5,000)        |
| - Marshall Islands                                   | ( 4,030)         | ( 3,000)        |
| - Solomon Islands                                    | ( 3,001)         | ( 2,984)        |
| - Nauru  | ( 1,015)         | -               |
| - Federated States of Micronesia                     | -                | ( 3,000)        |
| - Palau  | -                | ( 3,000)        |
| - Niue   | -                | ( 515)          |
| Net Subscriptions                                    | 1,842            | -               |
| Registration fees receivable                         | 600              | -               |
| Staff advance  | -                | 1,479           |
| Other debtors  | 9,919            | -               |
|  | <u>\$ 12,361</u> | <u>\$ 1,479</u> |
|  | =====            | =====           |



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 - continued

12

## 5 REFUNDABLE DEPOSITS

|             | 2010<br>\$      | 2009<br>\$      |
|-------------|-----------------|-----------------|
| Internet    | 200             | 200             |
| Rental bond | <u>986</u>      | <u>986</u>      |
|             | <u>\$ 1,186</u> | <u>\$ 1,186</u> |
|             | =====           | =====           |

## 6 PROPERTY, PLANT AND EQUIPMENT

|                                 | 2010                 |              |           |                   |
|---------------------------------|----------------------|--------------|-----------|-------------------|
|                                 | Beginning<br>Balance | Additions    | Disposals | Ending<br>balance |
| <b>Cost</b>                     |                      |              |           |                   |
| Office equipment                | 4,882                | 2,900        | -         | 7,782             |
| Office furniture and fittings   | <u>1,945</u>         | <u>1,973</u> | <u>-</u>  | <u>3,918</u>      |
|                                 | <u>6,827</u>         | <u>4,873</u> | <u>-</u>  | <u>11,700</u>     |
| <b>Accumulated depreciation</b> |                      |              |           |                   |
| Office equipment                | 101                  | 2,568        | -         | 2,669             |
| Office furniture and fittings   | <u>40</u>            | <u>820</u>   | <u>-</u>  | <u>860</u>        |
|                                 | <u>141</u>           | <u>3,388</u> | <u>-</u>  | <u>3,529</u>      |
| <b>Net book value</b>           | <u>\$ 6,686</u>      |              |           | <u>\$ 8,171</u>   |
|                                 | =====                |              |           | =====             |

## 7 PAYABLES AND ACCRUALS

|                                    | 2010<br>\$       | 2009<br>\$       |
|------------------------------------|------------------|------------------|
| Payable to PIFS on PICTA symposium | 12,834           | 12,834           |
| Accruals and other payables        | <u>35,154</u>    | <u>16,534</u>    |
|                                    | <u>\$ 47,988</u> | <u>\$ 29,368</u> |
|                                    | =====            | =====            |

## 8 COMMITMENTS AND CONTINGENT LIABILITIES

There were no commitments and contingent liabilities as at 31 December 2010 (2009: Nil).





# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 - continued

13

## 9 EMPLOYEES

|                     | 2010  | 2009  |
|---------------------|-------|-------|
| Number of employees | 4     | 4     |
|                     | ===== | ===== |

## 10 GRANTS AND IN-KIND CONTRIBUTION

|   | 2010         |  | 2009         |  |
|---|--------------|--|--------------|--|
|   | Grants<br>\$ | In-kind<br>contributions<br>with cash<br>in-flow<br>\$ | Grants<br>\$ | In-kind<br>contributions<br>with cash<br>in-flow<br>\$ |
| <i>Australian Agency for International<br/>Development</i>  |              |  |              |  |
| - Pacific Leadership Program                                | 701,808      | -  | 158,505      | -  |
| <i>Government of Japan</i>                                  | 185,385      | -  | 60,915       | -  |
| <i>Pacific Islands Forum Secretariat</i>                    |              |  |              |  |
| - PACREIP   | 283,721      | -  | 82,500       | -  |
| - PICTA Symposium   | -            | -  | 45,565       | -  |
| - Training Program  | 21,884       | -  | 8,317        | -  |
| - Marketing Support Fund                                    | -            | -  |              | 6,236  |
| <i>New Zealand Agency for International<br/>Development</i> |              |  |              |  |
| - Pacific Agreement on Closer<br>Economic Relations         | -            | -  | 5,387        | -  |
|   | 1,192,798    | -  | 361,189      | 6,236  |
|   | =====        | =====  | =====        | =====  |



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 - continued

14

## 11 IN-KIND CONTRIBUTIONS WITHOUT CASH IN-FLOW

In-kind contributions without cash in-flow received:

|   | 2010<br>\$  | 2009<br>\$       |
|---|-------------|------------------|
| <i>United Nations Development Programme</i>     |             |                  |
| <i>Pacific Centre (UNDP/PC)</i>                 |             |                  |
| - Salaries and wages                            | -           | 31,133           |
| <i>Pacific Islands Forum Secretariat (PIFS)</i> |             |                  |
| - Office facilities                             | -           | 24,711           |
|   | <u>\$ -</u> | <u>\$ 55,844</u> |
|   | =====       | =====            |

## 12 DONOR GRANT RESERVE

The movement of donor grant reserve is as follow:

|  | 2010<br>\$       | 2009<br>\$       |
|--|------------------|------------------|
| Balance at the beginning of the year       | 10,043           | 11,143           |
| Amount (utilised)/received during the year | <u>-</u>         | <u>(1,100)</u>   |
| Balance at the end of the year             | <u>\$ 10,043</u> | <u>\$ 10,043</u> |
|  | =====            | =====            |

## 13 REFUND OF PRIOR YEAR'S SURPLUS

|                | 2010<br>\$  | 2009<br>\$    |
|----------------|-------------|---------------|
| PIFS - PACREIP | <u>\$ -</u> | <u>31,474</u> |
|                | =====       | =====         |

## 14 DUTY TRAVEL

|                          | 2010<br>\$       | 2009<br>\$       |
|--------------------------|------------------|------------------|
| In country consultations | 1,192            | 30,620           |
| Other meetings           | <u>39,080</u>    | <u>1,853</u>     |
|                          | <u>\$ 40,272</u> | <u>\$ 32,473</u> |
|                          | =====            | =====            |



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 - continued

15

### 15 MEETINGS AND WORKSHOPS

|   | 2010<br>\$        | 2009<br>\$        |
|---|-------------------|-------------------|
| Pacific Islands Business Forum          | 215,274           | -                 |
| PACREIP Workshop                        | 204,860           | -                 |
| Annual General Meeting                  | 39,959            | 43,501            |
| Board meetings                          | 3,956             | 35,081            |
| Fort Lauderdale International Boat Show | -                 | 12,472            |
| Others                                  | 20,848            | 77,984            |
|   | <u>\$ 484,897</u> | <u>\$ 169,038</u> |
|   | =====             | =====             |

### 16 MEMBERSHIP FEE

|   | 2010<br>\$       | 2009<br>\$       |
|---|------------------|------------------|
| Tonga   | 3,000            | 3,000            |
| Marshall Islands                                      | 1,000            | 1,000            |
| Kiribati  | 1,000            | 1,000            |
| Cook Islands  | 1,000            | 1,000            |
| Nauru   | 1,000            | 1,000            |
| Papua New Guinea                                      | 10,000           | 10,000           |
| Samoa   | 3,000            | 3,000            |
| Tuvalu  | 1,000            | 1,000            |
| Niue  | 1,000            | 1,000            |
| Fiji Islands  | 5,000            | 5,000            |
| Solomon Islands                                       | 3,000            | 3,000            |
| Palau   | 1,000            | 1,000            |
| Federated States of Micronesia                        | 1,000            | 1,000            |
| Vanuatu   | 3,000            | 3,000            |
| Associates and Affiliates                             |                  |                  |
| -Pacific Technologies                                 | 1,000            | -                |
| -PNG Ports  | 1,000            | -                |
| -Fiji Export Council                                  | 1,000            | -                |
| -The Council of Regional Organisations in the Pacific | -                | 986              |
|   | <u>\$ 38,000</u> | <u>\$ 35,986</u> |
|   | =====            | =====            |







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