



Pacific Islands
Trade & Invest

ANNUAL REPORT 2016



Australian Government
Department of Foreign Affairs and Trade



PACIFIC ISLANDS
FORUM SECRETARIAT

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LETTER FROM THE TRADE AND INVESTMENT COMMISSIONER



I'm delighted to report on the work Pacific Islands Trade & Invest (PT&I) Australia completed in 2016 to attract foreign direct investment into the Pacific Islands, assisting Pacific Island exporters and supporting the growth of the Pacific Island tourism and creative industries.

As an agency of the Pacific Islands Forum Secretariat our role in the Pacific is becoming more vital. Even with increasing access to technology in the Pacific Islands the World bank stated the 'Ease of Doing Business Rank' and 'Trading across Borders' in the Pacific Islands has deteriorated over the past 10 years.

BRIDGING THE GAP FOR PACIFIC SUCCESS

In 2016, we focused on initiatives to bridge the widening gap between Pacific businesses and the Australian market.

We actively sought opportunities and used our extensive networks to facilitate positive outcomes for private sector development in the Pacific Islands. The outcomes we achieved are a testament to PT&I Australia commitment and expertise in the Pacific Islands. I'm proud to share, that in 2016 we assisted 412 Pacific Island businesses, facilitating over AUD \$18.76M in exports and AUD \$8.39M in investments.

PROVIDING A SPOTLIGHT ON WOMEN IN BUSINESS

We remain committed to empowering Pacific Island women in business and in 2016 assisted 110 women-led businesses facilitating 58 deals worth over AUD \$2.93M.

LEADING THE CHANGE

Advancing the interests of the Pacific Islands in Australia is at the heart of our work. We achieved significant outcomes for Pacific Island Countries in 2016. We understand the importance of research to help organisations make informed

decisions. There continues to be a lack in private sector data from the Pacific Islands. In 2016, we conducted the second Pacific Island Export Survey the findings provide government's, associations and the private sector with quantitative data and insights that can assist in stimulating growth in Pacific Island exports.

Actively seeking opportunities led us to be part of a great advancement in labour mobility for the Pacific Islands. We facilitated a recruitment mission in June that resulted in 28 i-Kiribati taking positions at One&Only Hayman Island Resort as part of the Pacific Microstates – Northern Australia Worker Pilot Program. One&Only Hayman Island Resort were the first company to take part in the Pilot Program.

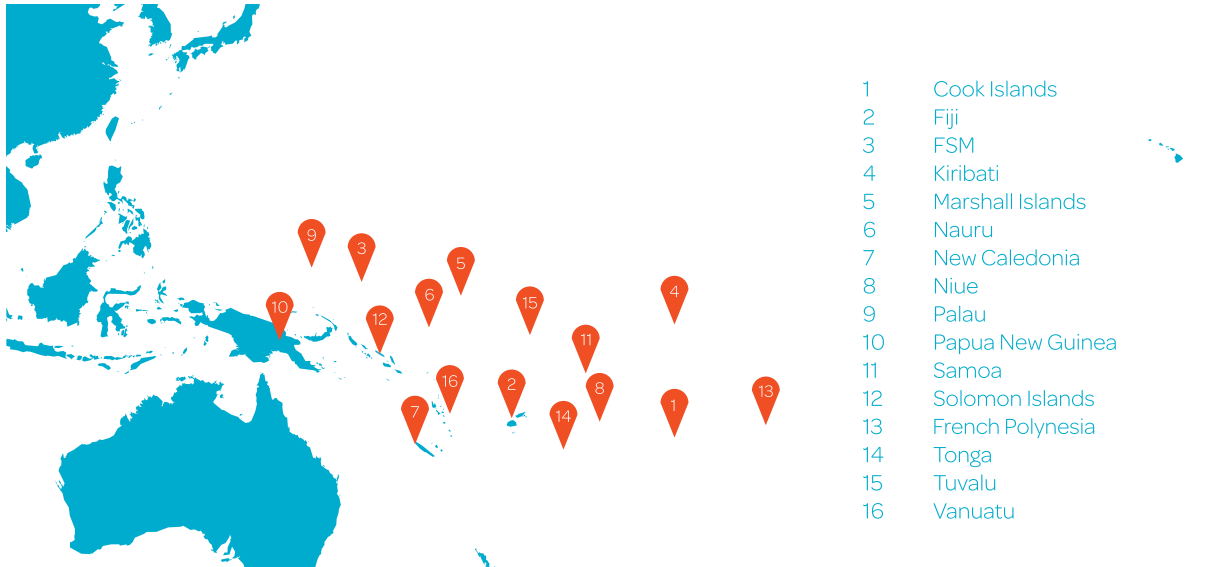
None of the 2016 outcomes could be achieved without the support of the Australian Department of Foreign Affairs and Trade. I would also like to acknowledge the staff at PT&I Australia. We may be small in numbers however our team excels in being targeted. Leveraging their time and their networks to drive economic outcomes for Pacific Islands businesses. I'd like to thank all the staff at PT&I Australia for the work they do each day, working together in the pursuit of a shared goal – to create jobs in the Pacific.

A handwritten signature in black ink, appearing to read 'Caleb Jarvis'. The signature is stylized with a large, sweeping initial 'C'.

Caleb Jarvis

Trade and Investment Commissioner
PT&I Australia

OUR ROLE



WHO WE ARE

Pacific Islands Trade & Invest (PT&I) Australia contributes to the sustainable economic development of Pacific Island Countries (PICs) through export and investment facilitation. Our 37 years of experience positions us as the leading export and investment agency in the Pacific region.

WHAT WE DO

PT&I Australia creates jobs in the Pacific Islands. We do this by developing and promoting Pacific Islands exports, investments, tourism, and creative industries in the Australian market. We promote and support emerging and established enterprises of the Pacific Islands with a focus on women owned or managed business.

WHERE WE ARE

In late 2016, Pacific leaders accepted French Polynesia and New Caledonia as full members of the Pacific Islands Forum. The 16 PICs we now service are Cook Islands¹, Fiji², FSM³, Kiribati⁴, Marshall Islands⁵, Nauru⁶, New Caledonia⁷, Niue⁸, Palau⁹, Papua New Guinea¹⁰, Samoa¹¹, Solomon Islands¹², French Polynesia¹³, Tonga¹⁴, Tuvalu¹⁵, and Vanuatu¹⁶. As the French Polynesia and New Caledonia were not accepted until October 2016 they have been excluded from the 2016 Annual Report.



OUR ESSENCE

We are the Pacific's lead export and investment facilitation agency.

OUR VALUES

- Success
- Collaboration
- Optimism
- Honesty
- Empathy

OUR PERSONALITY

- Fresh
- Engaging
- Active
- Professional
- Authentic

OUR SERVICE

We work with exporters to promote their products and services and attract investment to Pacific Island businesses.

STRATEGIC OBJECTIVE

To support trade, investment, creative industries, and tourism with the aim to improve the livelihood of people in the Pacific Islands.

OUR MISSION

To create jobs in the Pacific Islands by developing and promoting Pacific Islands exports, investments, tourism and creative industries across international markets.

OUR ESSENCE

TRADE, PROSPERITY, GROWTH





PARTNERSHIPS

Pooling talent and resources in partnerships and collaborations has always been key to our success. In the ever shifting political and economic environment we find ourselves in, working together is more important than ever.

The Australian Government has been our key donor during the 37 years PT&I Australia has operated. This support, along with the unflinching backing of the Pacific Islands Forum Secretariat (PIFS), is what has allowed our organisation to grow into the leading agency it is today. These partnerships are vital as they help us to extend the reach of PT&I Australia and deliver commercial outcomes for businesses. In 2016 we partnered with:



OUR SERVICES

PT&I Australia offers clients a core set of services that directly lead towards investment and export deals. The services were provided in 2016 to our clients include:

- Advice or referral relating to finance
- Assess client capability/need
- Assist with public relations
- Assist with marketing and promotions
- Client participation in an event or activity
- Direct financial support
- Facilitate access to government representative, influencers, and key decision makers
- Facilitate client customer agreement negotiations
- General information about international markets and doing business internationally
- Identification, prioritisation, and selection of most suitable markets
- Identify or introduce potential customer
- Image library access
- In-market briefing
- In-market support during international visit
- Overview advice and information
- Referral to an external service provider
- Referrals to deal with dispute/ challenges
- Sample provision or organisation
- Support and develop customer network
- Tailored research or advice to support client



KEY FOCUS AREAS

At PT&I Australia, we channel our knowledge and resources through four key focus areas (KFAs); Export, Investment, Creative Industries, and Tourism to drive commercial outcomes for Pacific Island businesses.

The following section of the report highlights the work completed in each KFA in 2016.





EXPORT

Exports play an important role in the economies of the Pacific, influencing the level of economic growth and stability, employment, and the balance of payments, acting as an engine to improving livelihoods in the Pacific Islands.

Working in partnership with each of the International Trade offices of the 14 PICs we serviced in 2016, we delivered market related services, advice, and information to assist Pacific Islands businesses connect with opportunities in Australia. In 2016 we employed a new

Export Manager to increase our capacity and ability to service the Pacific Island region effectively.

EXPORT SERVICES

In 2016, we provided a wide range of services to clients in various industries including:

- Showcasing 11 Pacific Islands exporters at Fine Food Australia
- Conducted the 2016 Pacific Islands Exporter Survey
- Showcasing 4 Pacific Businesses at the 2016 Australian Beauty Expo
- Facilitating the first company to take part in the Pacific Microstates – Northern Australian Worker Pilot Program. Resulting in 28 i-Kiribati taking positions at the One&Only Hayman Island Resort.
- Supporting the development of packaging and labelling for seven Pacific Island clients
- Two Tonga grower missions to Australia



PT&I Australia with Managing Directors of Ben's Trading Limited, Peni and Maria Moi and the company's Export & Logistics Manager Kasaya Naisowalu at Fiji's 2016 Westpac Prime Minister International Fiji where Ben's Trading was awarded the Primary Industry Business Excellence Award 2016. The Award recognises a company for their outstanding export results in agriculture, forest, and fisheries industry.

\$18,784,319
export sales

VALUABLE INSIGHTS INTO EXPORT DYNAMICS

Historically there has been a lack of private sector data from the Pacific Islands. PT&I Australia understands the importance of having accurate data for the export sector providing an industry benchmark and reliable insights to assist the growth of the sector in the Pacific Islands.

In 2014 PT&I Australia with the support of Australian Aid conducted the inaugural Pacific Islands Export Survey. In 2016 the second Pacific Island Export Survey was conducted. The findings provide a valuable snapshot of export dynamics in the Pacific. The 2016 survey builds upon the data collected in 2014 to validate findings and begins to show trends in the Pacific Islands exporting sector.

Respondents to the survey represented 200 export companies from 12 PICs, operating in more than 30 international markets. The participants represented a diverse range of industry sectors, size, maturity, and annual turnover.

Businesses that have been exporting for three years or less tended to be smaller with younger proprietors. Women proprietors were the most common in this group (32% vs 27% in total) showing a higher participation of women in the sector in the more recent years

Private sector led growth in the Pacific Islands is important and although the region diverse the survey shows that many of the obstacles faced by exporters is similar across all PICs. The finding of the 2016 Export Survey provides government's, associations and the private sector with quantitative data and insights that can assist in stimulating growth in Pacific Island exports.



INVESTMENT

Private sector investment is important to aid in economic growth and increasing employment opportunities in the Pacific Islands.

PT&I Australia works closely with the Investment Promotion Authorities of the 16 PICs we service. Providing Australian investors with investment opportunities in the Pacific and advice to facilitate investment.

INVESTMENT SERVICES

In 2016, we provided a range of services resulting in AUD \$8,314,003 investments facilitated including:

- Leading a Business Process Outsourcing mission to Fiji involving a delegation of five Australian businesses in Fiji
- Two infrastructure missions to Fiji and Papua New Guinea in collaboration with the Australian Trade Commission
- Partnering with Fish 2.0 a sustainable seafood business competition. Bringing it back to the Pacific with a three-day workshop held in Suva, Fiji in November which was attended by 30 fishing entrepreneurs from ten PICs.
- Partnered with Australian Business Volunteers (ABV) to deliver two YES Programs in the Solomon Islands and Papua New Guinea
- Facilitated two Impact Investment missions to Samoa and Vanuatu resulting in new foreign direct investment into both countries.



Fisheries entrepreneurs at Fish 2.0 workshop in Suva, 2016

\$8,314,003
investments facilitated

CASE STUDY

FOREIGN INVESTMENT CREATING ECONOMIC GROWTH

BIMA is a leading provider of mobile-delivered insurance and health services in the emerging markets.

Based in Sweden, BIMA engaged PT&I Australia to assist with understanding the potential of investing in Fiji to establish a new regional headquarters. Over six months PT&I Australia played a vital role providing preliminary information and guidance during the due diligence stage as well as acting as a joint between BIMA, Investment Fiji and the Fijian government.

PT&I Australia's work resulted in BIMA investing into Fiji to establish a regional operation with approximately 30 employees with the intention of expanding their operation over the next 12 months using Fiji as the Pacific hub call and processing centre.

The investment by BIMA further supports PT&I Australia's promotion of Fiji as an attractive offshore location for business processing operations (BPO).

In July 2016, PT&I Australia led a delegation of five companies to Fiji, the mission provided delegates with the opportunity to learn about Fiji's BPO sector, explore potential areas of cooperation and alliances, and understand how to do business in Fiji.



Call centre in Fiji - part of the PT&I Australia Business Process Outsourcing Mission in 2016

CREATIVE INDUSTRIES

"There are countries where the creative industries are an almost unnoticed part of the economy, especially the Pacific Islands." (UN)

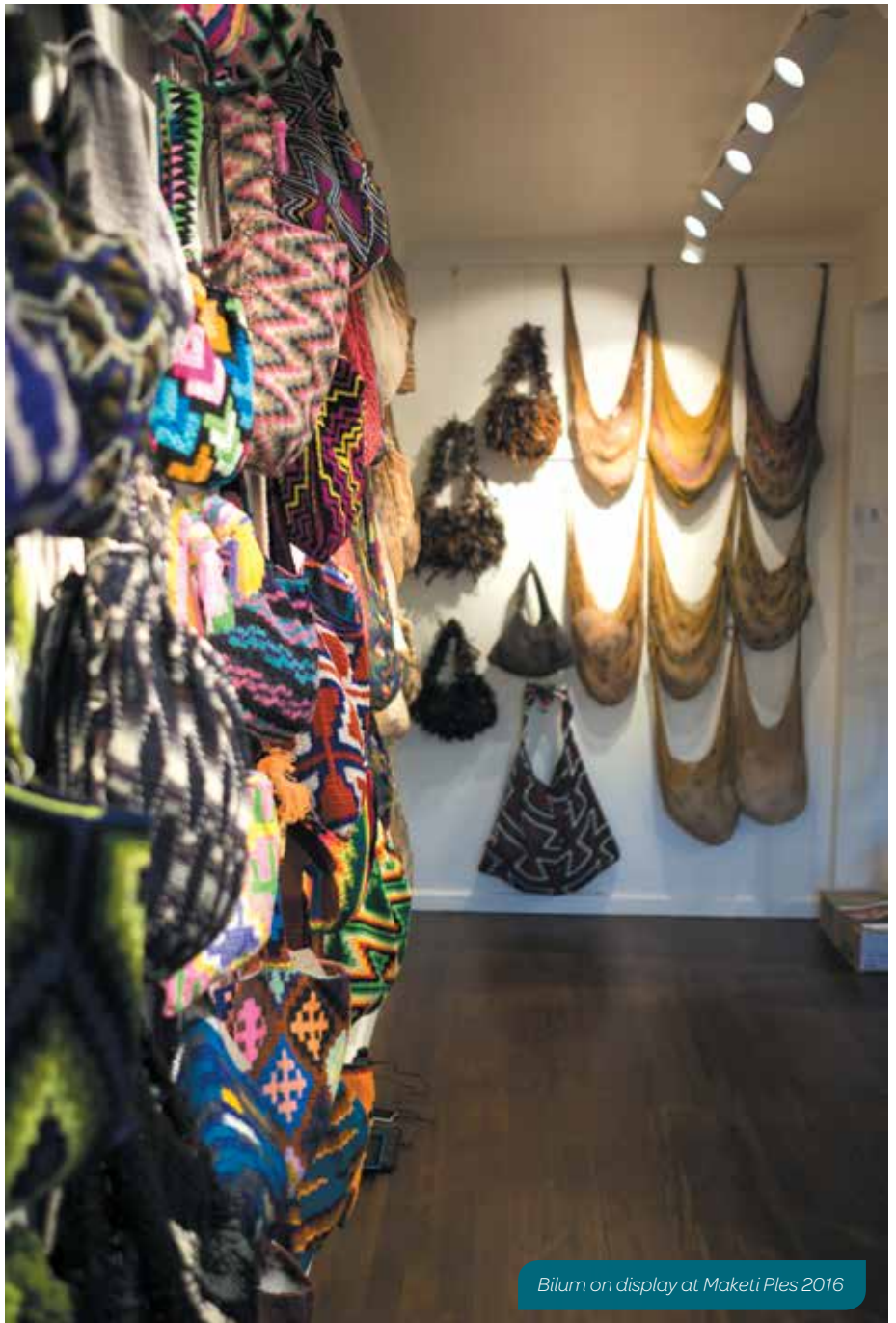
In 2016, the Creative Industries program focused on actively promoting and supporting Pacific Island Artists and Artisans into the Australian market.

CREATIVE INDUSTRY SERVICES

In 2016, we provided a range of services resulting in AUD \$93,950 outcomes for Pacific Islands artists and artisans our services included:

- Maketi Ples, showcasing 21 Pacific artists/artisans representing 8 PICs at a two week commercial exhibition in Sydney, Australia
- Sponsoring Pacific Runway, providing an international platform for Pacific fashion and jewellery designers
- Facilitating the opportunity for a Tongan coconut fibre artist to be the first Pacific Island artist in the prestigious CRAFT ACT artist-in-residence program
- Supported five Fijian designers to showcase their collection at the Australian Mercedes Benz fashion week
- Facilitated the inclusion of Goroka Bilum Weavers and Florence Jaukae in "String" exhibition by Artisan Gallery, Brisbane

- Facilitated and supported Florence Jaukae at the Pacific Artists Association Conference XII in Auckland New Zealand, resulting in the sale of FJK BilumWear Collection 2016 to Te Papa and Auckland Museum.
- Ongoing support to the export partnership between Among Equals and Goroka Bilum Weavers, with approximately 400 bilum bags exported to Australian market
- Ongoing support to the partnership between Boylan Headwear and Malo Island and Delosa Handicrafts weaving communities. Resulting in the successful soft market entry and product testing in Australia and Japan.
- Successful introduction of creative industry products (Boylan Headwear and Colour Me PNG) to Brisbane retailer; Gallery of Modern Art, Brisbane.



Bilum on display at Maketi Ples 2016

\$35,000

sales at Maketi Ples 2016

CASE STUDY

A FIRST FOR THE PACIFIC ISLANDS

A lack of visibility due to remoteness and costs is a barrier that many artists and artisans in the Pacific Islands must overcome. It can be difficult for Pacific artists and artisans to generate awareness of their work in the international arts community.

PT&I Australia is committed to promoting the traditional skills and expertise of artists and artisans from the Pacific Islands. In 2016 PT&I Australia facilitated the acceptance of Tongan coconut fibre artist, Sione Liafail Maileseni as the first Pacific Island artist offered a place on the Craft ACT artist-in-residence program.

Sione was selected from hundreds of international applications to take up the annual artist-in-residence program in Canberra, Australia. The program supports a local, national, and international artist to each undertake a residence at Gudgenby Ready-Cut Cottage in the Namadgi National Park, and a two-week research component within a national cultural institution in Canberra.

The program facilitates access for the artist to national cultural, tertiary and research institutions and their collections, curators, and researchers. A group exhibition of new work by each of the artists is held annually, and a catalogue produced about the program and disseminated internationally.



Sione Maleseni, Coconut Fiber Artist, at Craft ACT 2016

As well as increasing international exposure for Sione and the Pacific Island art, Sione said he was also able to further develop his skills.

“My last two weeks at the Namadgi park was fantastic... I investigated new weaving techniques using Australian fibres and these collections are now displayed at the Tonga High Commissioners office in Canberra and will also exhibited at the Craft ACT exhibition.

“I was honoured to be the first Pacific islander recipient. I am very thankful to Mrs Paula Bjelanovic (PT&I Australia) for facilitating this great opportunity. When I arrived in Canberra I was told that there were hundreds of applications from around the world, however I was chosen as the uniqueness of my work stood out to the selectors.



“Thank you PT&I Australia I feel like I’m supported by a strong organisation who assists not just me but also my fellow artists from the Pacific. If it wasn’t for your support over the past six years I wouldn’t have gotten so far.” Sione Liafail Maleseni, Coconut Fibre Artist

TOURISM

Tourism saw strong growth in the Asia Pacific region in 2016, with Oceania showing the highest growth of 10%*. In 2016 PT&I Australia's Tourism Program focused on Digital Tourism and working with small to medium tourism operators in the Pacific Islands to assist them in building their online presence to drive bookings. (*SPTO tourist arrivals report.)

TOURISM SERVICES

In 2016 PT&I Australia's Tourism services helped a variety of Pacific Island nations through;

- In country missions delivering four Digital Tourism workshops in Tonga, Samoa, Vanuatu, and the Cook Islands. Attended by over 100 tourism businesses.
- Supporting the development of 33 websites, many with online booking capability
- Supporting Treasures of the South Pacific and Hidden Treasures
- Partnering with Scope Global to provide tourist focused impact investment grant in Vanuatu, Malampa Handicraft Centre. It was used to develop promotional material for the Centre.



From left: Jade Brockley – Scope Global Volunteer; Chad Morris – General Manager Investment and Tourism PTI; Marie-Anne Syptiley, Sales & Distribution Manager, Malampa Handicraft Centre; Mothy Viranmal, President of Malampa Provincial Council of Women; Naomi Malau, Coordinator of Malampa Provincial of Women and supervisor of Malampa Handicraft Centre; Donald Pelam, Vanuatu Trade Commissioner to Australia.



The Pacific Islands have some of the world's best holiday destinations

99

Tourism websites
built or supported

CASE STUDY

DIGITAL LITERACY THE FIRST STEP TO SUCCESS

Internet travel bookings and revenue has grown by more than 73% over the past 5 years (Statistic Brain) with 92% of consumers saying they trust earned media e.g. social media, word of mouth, recommendation from friends and family above all forms of advertising (Webbed Feet). With the increasing use of the internet where consumers can easily share experiences and search anywhere, anytime. The use of digital channels is vital for Pacific Island operators to build a successful business.

PT&I Australia identified a gap in the knowledge and skills of Pacific Island tourism operators who didn't understand the value the having an online presence or access to training to gain these skills, with many business not using their current digital assets (website) to their full potential.

PT&I Australia's Digital Tourism workshop was designed to bridge this gap, providing practical skills and templates to use these skills.

In 2016 PT&I Australia delivered four workshops in four PICs, Tonga, Samoa, Vanuatu, and the Cook Islands to over 100 businesses.

The workshops covered topics such as:

- Understanding the accommodation buying cycle
- Leveraging your website to drive more direct sales
- Instant booking capability
- Online third party distribution
- Social Marketing
- Outsourcing

The success of the workshops and the development of booking capable websites can be seen in the revenue generated through PT&I Australia supported websites. In 2016 more than AUD \$6 million from across 12 PICs was generated through the Tourism Program.





The 14 Pacific Islands we serviced in 2016 were Cook Islands, Fiji, FSM, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu.

Each island presents unique opportunities and challenges for the local private sector. Pacific Islands Trade & Invest Australia has been working with clients from each island. This section details some the work we have done for each country.

COUNTRY PROFILES



COOK ISLANDS

CAPITAL: Avarua

AREA: 240 KM²

POPULATION: 20,833

GDP GROWTH (% PER YEAR): 4.8%

MAIN INDUSTRIES: Tourism, pearls, marine industry, offshore banking, and fruit exports

MAJOR EXPORTS: Fish, coin (excl gold coin) not legal tender, telecom equipment & parts, and fruit juices

With 60% of the Cook Islands gross domestic product being derived from tourism, the value of our Digital Tourism program cannot be understated. In 2016, under our Digital Tourism program, we created new tourism websites, and sponsored other digital marketing solutions, for Cook Island operators including Castaway Resort, Cook Islands Holiday Villas, Cook Islands Lagoon Villas, Muri Hillside Guesthouse, Te Akapuao Holiday Home and Studio Villas, and the Edgewater Resort. The total financial outcome for these tourism operators was boosted by US\$345,943 due to the PT&I Australia program in 2016.

The Fish 2.0 program is a global competition connecting seafood businesses with investors and improving business models. PT&I Australia played an instrumental role in getting the second round of Fish 2.0 to return to the Pacific Islands, and this time the Cook Islands business, Manihiki Black Pearl attended one of the workshops in Fiji in 2016. The attendees received expert advice on communicating about their business, training on pitching to investors, and guidance on succeeding in the 2017 Fish 2.0 competition.



“Pacific Islands Trade & Invest is thrilled to be supporting the return of Fish 2.0 to the Pacific. It provides the Pacific Islands fisheries sector and seafood companies with a great opportunity to build their capacity to grow a sustainable business and connect with potential investors, partners and advisers from the US and around the globe,” said Chad Morris, General Manager of Investment & Tourism at PT&I Australia.

In October, we hosted pearl wholesaler, Ora Moana Ltd, in Sydney for a marketing mission. Ora Moana, which means ‘Life of the Ocean,’ came to Sydney representing the national Cook Islands brand ‘Avaiki Pearls’ and we were happy to assist in their search for importers

Later in the year, PT&I Australia promoted Cook Islands fashion label, Inangaro, with a media release in the lead up to the Pacific Runway Fashion Show in Sydney.

Cook Islands Noni Management LTD applied for our assistance in achieving Organic Certification in 2016.

\$925,926
investment facilitated

CASE STUDY

COOKS ISLANDS WOMEN BUSINESSES MAKING THEIR MARK

Fashion is a highly competitive internationally market. Although there is a lot of creative talent emerging from the Cook Islands, getting international exposure for Cook Islands designers can prove difficult.

In 2016 PT&I Australia sponsored the Sydney Pacific Runway Fashion to provide Pacific Island designers an international platform to showcase their skills and provide an avenue to network with established designers from Australia and abroad.

Managing director Pacific Runway Fashion, Fashion Designer Failepou Peni said the event provided a fantastic opportunity for the Pacific Islands.

“This show is fundamentally to provide designers a prestigious platform to gain experience and exposure. It provides an opportunity for emerging designers from the Pacific to network with established designers from Australia and abroad.”

PT&I Australia facilitated the collaboration between two Cook Islands women-owned businesses for the Pacific Runway show to maximise their impact in the Australian fashion market.

Jackie Tuara's, Moana Gems Pearl limited accessorised emerging fashion designer Purotu Healy's, Inangaro label with Black pearl accessories as well as the two celebrity MC's.



Victoria Charles of Victoria Gardens of Titikaveka, Rarotonga

Adding to the Cook Islands presence models Teuira Napa (Miss Pacific Islands 2014) and Josephine Enjoy (Miss Cook Islands-Sydney 2015) were selected to model the Inangaro label and Moana Gems pieces on the catwalk. Cook Islands NRL professional players, Brad Takairangi and Tepai Moeroa were also selected to model the men's range of the Inangaro label.

Managing Director Jackie Tuara said the exposure she received from being part of the show was great, especially the opportunity to collaborate with a label from the Cooks Islands.

“We were extremely honoured to be accessorising the gorgeous garments of Inangaro Designs on an international stage with our creations.”

The collaboration provided both Cook Islands businesses the opportunity to have greater impact ultimately driving business growth and sustainable outcomes. Moana Gems Pearls received exposure through social media posts in the lead-up to the show which had 600 attendees including 6 buyers. Media Coverage for the gems was also gained across three magazines and eight in general news publications showcasing Moana Gems Pearls to the Australian market.

FIJI

CAPITAL: Suva

AREA: 18,376 KM²

POPULATION: 892,145

GDP GROWTH (% PER YEAR): 4.2%

MAIN INDUSTRIES: Tourism, subsistence farming, fishing, textiles, and timber

MAJOR EXPORTS: Gold, other textile clothing, men's clothing (excl knitted), and women's clothing

As part of PT&I Australia's new Impact Support Program (ISP) some amazing work has been done in Fiji this year.

Following Cyclone Winston Ben's Trading (Cassava and Taro exporter) was facing closure and the loss of a great many jobs, the majority women supporting their families and communities. The cyclone had destroyed much of their operational assets. Existing orders to Australia were in danger of not being met and a continuity of business was very much in doubt. Thanks to PT&I Australia's assistance Ben's Trading was kept afloat through emergency ISP funds, allowing the floundering company to purchase cassava and taro processing machines, and other essential items, not only saving jobs, but increasing them.

Fiji is famous for its Textiles, Clothing, and Footwear (TCF) industry and PT&I Australia has leveraged this by making it possible for five Fijian fashion designers (Fiji Fashion Week) to attend the Mercedes Benz Fashion Week Australia, one of the world's most prestigious fashion events.



Fiji had a number of aquaculture and fisheries businesses attend the Fish 2.0 workshop in November. Companies represented include Rewa Provincial Holding Company Limited, Waterlife Exporters (Fiji) Limited, Pacific Island Projects, Aquaculture & Reef Diving/ Fishing, Going Green Enterprise Limited, Island Endeavour Fiji Limited, FIRUS Marina Investment, API FOOD CONSULTING SERVICES, Soluk Island Fresh Co. Ltd, and FLMMA.

Worth an estimated US\$952 billion per year globally, the outsourcing services sector offers potential for PICs to create new and unique job opportunities. Capitalising on this opportunity, in July 2016, PT&I Australia hosted an investor mission to Fiji.

In July PT&I Australia, with the support of the Fiji government, launched our new Business Process Outsourcing missions (BPO), designed to connect Australian businesses with Fiji's BPO thriving sector, driving the economy and creating jobs. As a result, several Australian-based

companies are planning to set up new business processing outsourcing operations in Fiji.

Fiji is ideally located, only two hours ahead of Australia, and offers world class IT infrastructure, attractive investment incentives, dynamic, vibrant, and highly educated workforce and a low-cost business environment. Worth an estimated US\$952 billion per year globally, the outsourcing services sector offers potential for PICs to create new and unique job opportunities.

Also in 2016, we hosted Fiji Fine Arts company, Shellcraft, at the Maketi Ples exhibition, and FRIEND Fiji at Fine Food Australia 2016.

Fiji's thriving tourism industry represents a large percentage of the country's economy. PT&I Australia continued to support the entrepreneurial Fijian operators through our Digital Tourism program, providing new website solutions. In 2016, the total number of sales attributed to the DT program was US\$62,705.

\$6,642,603
export sales generated

CASE STUDY

REMOVING A LARGE BARRIER TO EXPORT

Kaiming Agro Processing Limited (KAPL) is one of Fiji's leading agricultural exporters owned by Calvin Qui. Today, Calvin employs over a hundred people, over 80% of employees are women at his Navua-based processing factory. KAPL generates approximately FJD 4 million from export sales of processed ginger and other root crops.

Even as a successful exporter, Calvin faced the hurdle of attracting investment to enable him to upscale KAPL's exporting capability.

Having worked with KAPL since 2015, PT&I Australia knew the effect the Impact Support Program (ISP) would have on both Calvin, but more importantly the flow on effect to his employees and the local economy. In 2016 with the support of the PT&I Australia's ISP, KAPL purchased a date encoding machine.

The date encoding machine has allowed KAPL to remove the final barrier to large scale exporting, and contributed to significant export sales for KAPL in 2016.

In 2016 with the assistance of PT&I Australia KAPL extended its distribution of packaged crystallised ginger in Australia to national supermarket retailers Aldi and Coles.



Ginger is one of many root crops exported from the Pacific Islands

FEDERATED STATES OF MICRONESIA

CAPITAL: Palikir

AREA: 702 KM²

POPULATION: 104,460

GDP GROWTH (% PER YEAR): 1.4%

MAIN INDUSTRIES: Subsistence farming and fishing

MAJOR EXPORTS TO AUSTRALIA: Measuring & analysing instruments and Electronic integrated circuits

The Federated States of Micronesia, is located on the southern edge of the typhoon belt which causes occasional sever damage. Whilst there are many natural resources including timber, marine product, deep seabed minerals and phosphate, the islands are comprised of only 2% arable land. This, combined with the spread-out nature of the population and the distance from trading hubs, makes FSM a very challenging place to find export and investment opportunities.



Johanna Malimai's incredibly fine weaving



Johanna Malimai - Lava Lava artist

In 2016 Johanna Malimai, from Woleai Island in Yap, had her artwork exhibited at Maketi Ples 2016. Johanna has been weaving lava lava (traditional fibre) since she was a small girl, mixing fibre from banana and cotton to produce some very fine work. Johanna's work created much interest at the gallery and lifted

her profile within the international art community, not to mention several sales during the exhibition period.

PT&I Australia assisted in the promotion of a crowd funded campaign that successfully sold a Kosare resort.

\$4,165,764
investments facilitated

CASE STUDY

WIN THE ISLAND ESTATES

In 1991, Australian's Doug and Sally Beitz were drawn to live in Micronesia due to the lifestyle it had to offer. Over 21 years they lived in Kosrae raising a family and building a very successfully business Kosrae Nautilus Resort which employed local residents.

Driven by the distance of living so far from their first grandchild the Beits made the hard decision to return to Australia. Rather than selling their successful business to a big developer they wanted to create an opportunity for an 'average person' to live the island lifestyle and the many benefits it had

provided them and their family. Knowing that the selling price could be a huge barrier for the 'average person' they decided on the unique crowd funded approach of raffling off their property.

Creating awareness of the crowd funding project to ensure its success was where PT&I Australia used their skills. PT&I Australia created a landing page for the website and marketing materials. In addition, PT&I Australia publicised the raffle through its media channels and networks.

The raffle resulted in the Beitz family receiving AUD 4.1 million* from 75,485 tickets being sold to people from over 140 countries. The raffle received worldwide media attention, bringing international attention to the Federated Stated of Micronesia generating interest to it as a tourism destination.

**Source: <http://www.news.com.au/travel/travel-ideas/weird-and-wacky/winner-announced-in-historic-island-resort-raffle-sale/news-story/20a04d90b891136bfae7c9190b1eb887>*



Watersports at Kosrae Nautilus Resort

KIRIBATI

CAPITAL: Tarawa

AREA: 811 KM²

POPULATION: 11,423

GDP GROWTH (% PER YEAR): 3.1%

MAIN INDUSTRIES: Copra, seaweed, and fisheries

MAJOR EXPORTS: Fish, salted or dried, measuring & analysing instruments

In June 2016, after months of intensive preparations with the Australian Government Department of Foreign Affairs (DFAT), PT&I Australia led a mission to Kiribati to interview 80 i-Kiribati hospitality graduates under the new SIS Visa program. 28 were chosen to work abroad at the Australian Hayman Island, in positions such as housekeeping, maintenance, stewarding, and food and beverage positions. Approximately 80 percent are women.

PT&I Australia provided a number of marketing services for Kiricraft Central Pacific, including domain management, sourcing copyright free music, video editing advice, video promotion, website maintenance and content management. In addition to these services we also began the process of building a new website for the company's eco-tourism activities.

Each year PT&I Australia, in partnership with Scope Global, make available an impact grant of up to \$1,500 per grant for ABV for International Development, total grant amount available is \$15,000. The grant is to support the volunteers to build the capacity of



their host organisations, which will lead to sustainable development and job creation through various initiatives and activities including business development, capacity building and training, promotional material, trade shows, market research and product development. In 2016 Kiribati Surfing Exploration Initiative (KSEI) through volunteer Jack O'Shea was successful in obtaining an Impact Grant to support the development of a new website and logo. The new website objective was to increase the awareness of Kiribati as a surfing destination and ultimately increase surf tourism to Kiribati.

Also in surf tourism, PT&I Australia developed a new website and logo for Kiribati Surf Association which can be seen at <https://www.surfkiribati.com/>

Tabuki Resort, a beautiful Kiribati tourist destination, can look forward to greater booking numbers thanks to the creation of a new website solution through our Digital Tourism program. Seven Kiribati based tourism operators reported increased sales, credited to the Digital Tourism Program, worth US\$74,264.

Two fishing and seafood companies from Kiribati attended Fish 2.0 in Fiji, hosted by PT&I Australia. Bairiki Lagoon Bay and Importek Services.

\$321,530
export sales generated

CASE STUDY

LABOUR MOBILITY FOR I-KIRIBATI

Job opportunities in small island states such as Kiribati can be scarce. In June 2015, the Australian Government released a White Paper on Developing Northern Australia, with a vision to unlock the potential and opportunity of the North. From this White Paper, the Pacific Microstates – Northern Australia Worker Pilot Program was established to help address an issue faced by Northern Australian businesses of building a sustainable workforce. The Pilot Program enables citizens from Kiribati, Tuvalu, and Nauru to access multi-year visas to work in Northern Australia.

PT&I Australia Trade and Investment Commissioner, Caleb Jarvis saw an opportunity for the skills of i-Kiribati to be used to help overcome an ongoing challenge faced by One&Only Hayman Island Resort of retaining skilled staff. In June 2016 PT&I Australia facilitated a recruitment mission to Kiribati, where from 80 interviews, 28 i-Kiribati were offered positions, becoming the recruits to use the Pilot Program.



PT&I Australia Trade and Investment Commissioner Caleb Jarvis with i-Kiribati recruits

The i-Kiribati took up their positions in October 2016 and the feedback has been overwhelmingly positive from both One&Only Hayman Island Resort, who have been impressed with the i-Kiribati work ethic but also for

the employees. One i-Kiribati worker said that her new role enables her to improve the lives of 15 family members (in Kiribati). Her wages assisting with school fees, accommodation, food and clothing.

MARSHALL ISLANDS

CAPITAL: Majuro

AREA: 181 KM²

POPULATION: 52,993

GDP GROWTH (% PER YEAR): 1.6%

MAIN INDUSTRIES: Coconuts, breadfruit, fisheries, and small-scale industry handicrafts

MAJOR EXPORTS: Animal feed, telecom equipment and parts, base metal, lime, cement, and construction materials

One of the main industries of the Marshall Islands is tuna processing (alongside copra, tourism, and seashell, wood, and pearl craft items.) In 2016 Mokaan laar Fishing attended the Fish 2.0 workshop in Fiji, hosted by PT&I Australia. Mokaan laar Fishing was represented by Marshall Islander, Ramon Kyle Aliven, who received information and advice about marketing, pitching to investors and some directions on their application for the Fish 2.0 competition.

Elefa Handicraft Shop (also known as Marshall Islands Handicraft Association) was given some assistance in identifying, prioritising, and selecting suitable markets for their product. They were also invited to display their traditional and modern art at our Maketi Ples exhibition in Sydney, unfortunately the organisation had to withdraw. We hope they will be successful in 2017.

Assistance was provided to the Marshall Islands Government, Ministry of Research and Development, by our graphics expert who provided a variety



Marshall Islands' Ramon Kyle Aliven attended the Fiji Fish 2.0 workshop in 2016

of logo variations for promotional use in international magazines. The Ministry has also been highly involved in the development of the new Micronesian Trade and Economic Community (MTEC) Website, representing a sub-regional group similar to the Melanesian Spearhead Group (MSG) but located in the North Pacific.

Marshall Islands accommodation providers have previously taken advantage of our Digital Tourism project, in which websites were built and connected to online tourism aggregators. This service contributed to over US\$40,000 in sales during the reporting period.

\$46,837

export sales generated

CASE STUDY

DEVELOPING A VALUABLE ONLINE PRESENCE

The importance of having an online presence cannot be underestimated as digital communications across all industries increases. For Small Island States access to brand and digital design expertise is limited and offshore options can prove financially prohibitive for many organisations.

The recently formed Micronesian Trade and Economic Community (MTEC) faced these challenges as they investigated the best approach to creating a digital presence.

In 2016, the Marshall Islands Government engaged PT&I Australia's services to assist with the branding of MTEC through the creation of a logo that can be used across a variety of platforms and began exploratory work on a website to establish a credible online presence for MTEC promoting the important work that they do for Micronesia.



NAURU

CAPITAL: Yaren

AREA: 21 KM²

POPULATION: 10,222

GDP GROWTH (% PER YEAR): -10%

MAIN INDUSTRIES: Phosphate mining, offshore banking, coconut products and commercial fishing licences

MAJOR EXPORTS TO AUSTRALIA: Fertilisers, mechanical equip and parts, vegetable oils and fats

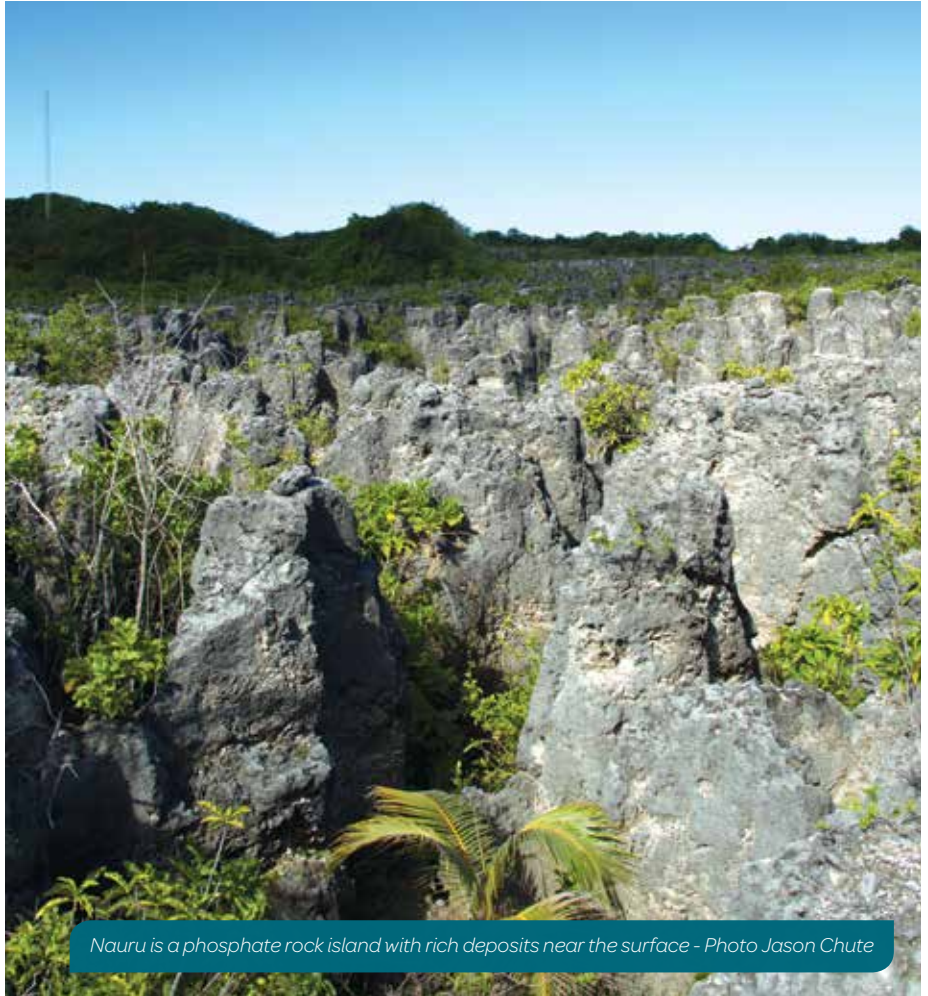
Traditionally Nauru has found most of its export revenue from phosphates as few other resources exist. More recently revenue derived from fishing licences have helped boost government income.

Currently, much of the Nauru government income is derived from fishing licences. As for exports, phosphate mining has long been the only existing revenue available. Therefore, finding ways to support the Nauru economy through export and investment facilitation remains a huge challenge.

PT&I Australia was very pleased to be able to assist a Nauruan fishing company, main products Tuna and Milk Fish with a fishing entrepreneur attending Fish 2.0 in November 2016

Also in 2016, our Creative Industries program brought to light some potential opportunities for Nauru's women bead artists. Plans have been put in place to explore this further in 2017.

At the 8th Micronesian Trade and Economic Community (MTEC) Ministers' Meeting in Palau, October, issues such as private sector development programs and trade and investment policy initiatives were discussed. One issue raised by private sector representatives was a lack of an appropriate forum through which businesses can exchange information on opportunities, best practice and network*.



Nauru is a phosphate rock island with rich deposits near the surface - Photo Jason Chute

It is PT&I Australia's hope that this lack of a communications hub will to a large degree be remedied by our development of an MTEC website. The online platform has the capacity for multiple contributors to load useful information about export and investment opportunities that may

exist for MTEC based private sector companies. Development of the website began in 2016 but was put on hold while information gathering processes were undertaken by key stakeholders. It is expected to be completed early 2017.

* http://www.fsmpio.fm/RELEASES/2016/oct_16/10_04_16.html

CASE STUDY

FISH 2.0 – AN OCEAN OF OPPORTUNITY

For many PICs such as Nauru the ocean is a vital part of their economy and identity. However, the ocean is under tremendous pressure from human activity. From rising sea levels to increasing air and ocean temperatures to shifting rainfall patterns, Pacific nations are among the most vulnerable in the world to the impacts of climate change.

PT&I Australia understands the importance of the ocean to Pacific nations and in 2016 was instrumental in bringing Fish 2.0 back to the Pacific supporting the initiative as a major sponsor. Fish 2.0 is a global business competition that connects seafood businesses with investors, giving entrepreneurs an opportunity to improve their business models, learn about emerging trends and technologies, win cash prizes, gain international visibility, find strategic partners, and attract new investors.

As a key partner of the Fish 2.0 competition, PT&I Australia is providing direct support to the private sector and helping develop the Pacific region's sustainable fisheries industries.

In November 2016, John Tannang a fishing entrepreneur from Nauru attended the three-day Fish 2.0



The Pacific Islands have bountiful fishing territories

workshop in Suva, Fiji. It provided John with a great opportunity to increase his understanding of how to grow a sustainable business.

"Fish 2.0 workshop changed my misunderstanding (fear) about the term investor... I'm now looking to move from loan capital and sole ownership mentality to partnership and low profit BUT Long term sustainable financial security."

The outcomes from Nauru fishing business having the opportunity to participate in Fish 2.0 is immense. It provides a platform where small Nauru business can increase their skills and get guidance from international experts as well as connecting with other Pacific Island fishing entrepreneurs to share experiences and learnings.

NIUE

CAPITAL: Alofi

AREA: 260 KM²

POPULATION: 1,610

GDP GROWTH (% PER YEAR): 2%

MAIN INDUSTRIES: Subsistence farming, fisheries, and handicrafts

MAJOR EXPORTS TO AUSTRALIA: Crude fertilisers, technical handling equip & parts, vegetable oils & fats

Niue, one of the world's largest coral islands, has one of the smallest populations, with an estimated peak of 5,000 in 1966, and less than 2,000 inhabitants living there today. Natural resources are fish, and some arable land. The economy faces the same challenges as many of the small Pacific Islands, namely geographic isolation, few resources, and a small population. Exports include tourism services, canned coconut cream, copra, honey, vanilla, passion fruit products, pawpaws, root crops, limes, footballs, stamps, and handicrafts.

Through the PT&I Australia Digital Tourism campaign, nearly \$100,000 dollars in service exports was generated through tourism bookings. Laus Getaway and Nic's Bungalows were among those that reported significant sales income to tourists who booked their stays through PT&I Australia developed websites.

In 2016 NuEnterprise, (products include clams and seashells,) was represented by Esa Sharon-Mona at Fish 2.0 in Fiji.



Laus Getaway, Niue, has benefited from the PT&I Digital Tourism program

Mrs Sharon-Mona was provided with information and advice about seeking investment and an overview of basic marketing. We are optimistic that the information and training provided to NuEnterprise will stimulate further growth in the future.

Niuean Fine Artist, Susannah Sionetuato, also showcased her work at the 2016 Maketi Ples exhibition,

\$97,410

Export sales generated

CASE STUDY

EXPOSURE ON THE INTERNATIONAL STAGE

There is a unique quality to Pacific Art, when you are based in a small Pacific Island such as Niue it can be difficult to showcase your art to a wider international audience.

PT&I Australia's Maketi Ples, provides a platform for Pacific Island artists and artisans to connect directly to Australian consumers, designers, retailers, and importers. In 2016 Niue Artist Susannah Sionetuato exhibited her artwork at Maketi Ples held in the Shapiro Gallery, Woollahra, Sydney, Australia.

Susannah said that although it was daunting exhibiting outside of Niue she was grateful for the opportunity.

"The most valued experience is having a platform for international exposure for my art."

The successful event generated sales of over AUD \$35,000 in 2016 and more importantly provided exposure for all the Pacific artists and artisan involved such as Susannah Sionetuato.



Niue Artist Susannah Sionetuato in front of some of her artwork

PALAU

CAPITAL: Ngerulmud

AREA: 465.55 KM²

POPULATION: 21,291

GDP GROWTH (% PER YEAR): 9.4%

MAIN INDUSTRIES: Tourism, subsistence farming and fisheries

MAJOR EXPORTS TO AUSTRALIA: Gold coin & legal tender and measuring and analysing instruments

The tiny islands of Palau are divided into 16 states and are home to just over 20,000 people.

Whilst tourism is Palau's main export, there are also some commodities being shipped, including shellfish, tuna, copra, and limited garments. This being said, export dollars are tiny compared to current imports (\$19m exports against \$177 imports in 2014.)

Although commodity exports are relatively low, tourist arrivals are high with increases being recorded in recent years. Palau's proximity with Guam, a major destination for Asian tourists, aids this growth in tourism.

The opportunities for the tourism sector prompted PT&I Australia, in recent years, to focus on providing services such as website development and connections with online tourism aggregators. These efforts saw great returns in 2016 with 14 Palauan accommodations reporting high levels of extra income being earned from



bookings made through PT&I Australia developed websites. Nearly AUD \$3m was reported for 2016.

We expect this income to grow further as a result of three new website solutions provided to Koror based operators, Island Paradise Resort Club, Island Paradise Tours, and Shaka Tours.

Whilst %100 of outcomes for 2016 came from the tourism sector, our Creative Industries team has been actively seeking opportunities for the young country, meeting with Palauan creators and their administrators in Guam. These introductions will lead to further development of export opportunities, work which is slated for 2017.

\$2,775,669
export sales generated

CASE STUDY

REAPING THE SUCCESS OF DIGITAL TOURISM

The tourism sector is one of the world's fastest growing industries and in the Pacific Islands it is recognised as an important driver of economic growth and employment opportunities.

The way international tourists make travel decisions is changing. An increasing number of tourists are using the internet as their main source of information, deciding what to do and where to stay using their phone, tablet, or computer.

PT&I Australia identified a gap in how Palau tourism operators access the tourist market. PT&I saw a need to upskill local tourism operators in their knowledge of digital marketing and provide practical steps to help Palau tourism operators sell more rooms and improve their profitability, including supporting the build of websites so the Palau operators could have a digital presence in the international market.

PT&I Australia supported the development of booking capable websites for Palau tourism operators. In 2016, these sites generated USD \$1,257,874 in online for 15 Palau tourism operators.



The beautiful Islands of Palau

PNG

CAPITAL: Port Moresby

AREA: 462,840 KM²

POPULATION: 7,619,321

GDP GROWTH (% PER YEAR): 9%

MAIN INDUSTRIES: Subsistence farming, copra, mining, crude oil, petroleum refining, fisheries, forestry, and tourism

MAJOR EXPORTS TO AUSTRALIA: Gold, silver, platinum, crude petroleum, and coffee

Papua New Guinea is the eastern half of the second largest island in the world. With natural resources including gold, copper, silver, natural gas, timber, oil, and fisheries the country generates much of its economy through export. Australia's economic relationship with Papua New Guinea is solid and robust with potential for further growth. Significant opportunities exist for investment in the mining and energy, agriculture, construction, and tourism sectors. In 2015 Australian investment in Papua New Guinea was \$18.4 billion and our two-way trade totalled \$4.7 billion. (http://ministers.dfat.gov.au/pitt/releases/Pages/2016/mr_kp_160803.aspx)

In 2016 PT&I Australia provided 108 services to PNG companies, resulting in 220 outcomes. Women have a dominant role in tourism and creative industries in PNG which led to nearly half of our services to being dedicated to women owned or led businesses.

The most requested assistance from PNG businesses in 2016 revolved around the acquisition of new buyers. The top

three services provided were:

- Client participation in an event or activity (30)
- Identify or introduce potential customer (18)
- Identification, prioritisation, and selection of most suitable markets (10)

In 2016 PT&I Australia also partnered with ABV to deliver the YES Program

In partnership with Austrade, we conducted an Infrastructure Mission to PNG in September, with twenty-one members. This mission assisted attendees to identify and target opportunities in the infrastructure sector, including those being financed by the major international aid donors. David Knapton, Austrade's Port Moresby-based Senior Trade Commissioner said, 'The PNG Government remains committed to the development of infrastructure. With support from its key development partners, it plans to spend a significant amount of money on infrastructure projects in the transport, energy, water, communications, and construction sectors over the next two years. Participants secured high level access to key decision makers in both industry and government; gained an understanding of opportunities in PNG; met with potential partners; identified potential opportunities expected to flow from future projects; and developed a better understanding of PNG and the requirements to undertake business successfully in the local, growing market.'

Papua New Guinea's rich cultural strengths were once again at the forefront of our planning for 2016 with seven PNG creative industry organisations and artists joining us at Maketi Ples 2016. Epalia Paita; Florence Jaukae; The Goroka Bilum Weavers Collective; Hagen Handicrafts Group, Giluwe Artisans & Telefomin; Kar Kar Island Bilum Weavers; Thomas Toyamina; and Omie Artists were all represented in front of Sydney's art loving crowds. The sales made during the event will assist these artists to continue spreading awareness of PNG's cultural gifts, and lead to future income in the years ahead. All Pacific Island export sales are expected to have significant knock on effects, supporting local communities, and with the majority of these artists being women, this flow through is expected to be magnified.

The Milne Bay resort Driftwood, and Kokoda based tour company Buna Treks and Tours, received a new website solution under our Digital Tourism program.

"I would like to commend PTI Australia for the work they have done with Buna Treks and Tours, the assistance provided through PTI Australia's Digital Tourism program has enabled Buna Treks and Tours to successfully build their business" Ken Pep, Investment Promotion Authority, Papua New Guinea

Existing tourism operators that participated in our Digital Tourism program reported a total of US\$69,802 in extra bookings for 2016.

44 services
to women-owned business

CASE STUDY

EMPOWERING BOUGAINVILLE WOMEN THROUGH BUSINESS

PT&I Australia has a commitment to empowering women in business. It was a clear fit to partner with ABV (Australian Business Volunteers) and support the Australian Volunteers for International Development (AVID) program to assist women led businesses in Bougainville, Papua New Guinea.

The grant allowed two AVID volunteers to deliver the YES program, an intensive small business training and mentoring program in late 2016. With a focus on women led enterprises, 15 Bougainvillean women took part.

Over the four weeks of the program five workshops were conducted in

Arawa Town. Topics included financial management, business planning, marketing, managing employees, risk analysis and other areas essential to growing a successful business. One-on-one mentoring also occurred to assist the Bougainville women put their new business skills and strategies into practice.

The PNG Women's Chamber of Commerce are the local partners for the program Chamber's president Avia Koisen said enabling women to grow small businesses is an important means of improving gender equality in PMG. "The big problem for many women is that they don't have the economic

means to take control of their lives" says Kisen. "But with the right skills women can build their own businesses and so empower themselves economically and socially.

PT&I Australia are confident about the positive difference the YES program will have on the Bougainvillean women. When participants on a similar program for women held in Port Moresby in 2015 were contacted all the participants felt that the YES program had been value and all except one has seen their business profits rise.



Bougainville Women attend ABV YES program

SAMOA

CAPITAL: Apia

AREA: 2,842 KM²

POPULATION: 193,228

GDP GROWTH (% PER YEAR): 1.6%

MAIN INDUSTRIES: Subsistence farming, forestry, fisheries, food processing and tourism

MAJOR EXPORTS TO AUSTRALIA: Electrical distributing equipment, manufactures of base metal, fruit and nuts

The two main islands of Samoa, Savaii and Upolu, support some of the most beautiful natural locations in the world. With hardwood forests, abundant fish and readily accessible hydropower, Samoa's natural resources make an important contribution to the national economy. Tourism, foreign aid, and family remittances from overseas also play vital roles.

Samoa, like many Pacific Islands is vulnerable to devastating storms that, at times, present significant challenges to local exporters. In early 2016 Samoa was hit by destructive Cyclone Amos, and then with a rare hailstorm later in the year. Despite this robust growth in transport, tourism, construction and electricity and water supply was reported.*

Our database gives us an insight into the composition of Samoa's export sector. We have listed 42 companies in agribusiness; 38 in consumer goods; 52 in food and beverage; and 39 in Tourism.

PT&I Australia delivered a high number of services to Samoan companies in 2016, with 88 outcomes being reported by clients. A large percentage of these outcomes were improved products

and services. PT&I Australia facilitated nearly \$2m in export sales during the period, and attracted \$77,500 worth of investment.

PT&I Australia delivered the Digital Tourism program in Apia in late September. Opened by Ms Adele Kruse, President of Samoa Hotel Association, attended by 26 industry participants, representing 20 operators across Samoa. Topics covered in the workshop include website management, understanding the accommodation buyers cycle, how to leverage more sales through your website and booking engine, and importance of digital marketing. The workshop is only one part of the program, a key element is the support PT&I Australia provide through funding the development of new websites and partial funding of a digital marketing strategy. Most financial outcomes for our Samoan clients were generated through this one, very successful program. The amount of extra sales for 2016 totalled over US\$1.2m.

At the 2016 Fine Food Australia exhibition PT&I Australia represented Nora's Plantation food, making samples available to thousands of trade representatives from Australia's food and beverage industry. Connections made during this event are expected to result in sales in 2017.

Two Samoan artists from the Manamea Art Studio, Lalovai Peseta and Nikki Mariner, attended our annual art exhibition in Sydney, Maketi Ples. Their stunning work turned heads and resulted in great sales figures, and an increased profile in the art community – vital for future income.

Through a partnership with Scope Global, PT&I Australia awarded an Australian Volunteer with an impact

grant purposed specifically for the benefit of Samoa's private sector. The impact grant is available to Scope Global Australian volunteers to build the capacity and increase growth in the tourism sector of Samoa, as well as other countries in the Pacific. The successful applicant developed an app for tourist to better navigate Apia's key tourism destinations as well as provide a more enjoyable experience.

PT&I Australia provided support to ABV to deliver the 'Your Enterprise Scheme (YES) in Samoa. Over four weeks, 20 participants, most whom were women, attended various workshops on topics including financial management, business planning, marketing, managing employees, risk analysis, and other areas essential to growing a successful business. In addition, participants also were offered one-on-one mentoring to help them put their new business skills and strategies in practice.

*<https://www.adb.org/countries/samoa/economy>

\$1,819,342
Export sales



Artists Lalovai Peseta and Nikki Mariner

CASE STUDY

COLLABORATING FOR SUCCESS

Samoa Coconut Cluster Limited is the company behind the Samoa Heritage brand of raw organic virgin coconut oil (VCO). Founded in 2013, The Coconut Cluster formed a cooperative group of farmers and established a high volume production and manufacturing facility with the goal to encourage the development of organic VCO exports from Samoa.

PT&I Australia began work with Edwin Tamasese and the Samoa Coconut Cluster in 2016 providing essential export development support to the cluster. Developing product packaging and labels and accessing jars for the Samoan Coconut Clusters first international shipment of VCO to New Zealand.

“We want Samoa Coconut Cluster to be a model for social businesses not only in Samoa but across the Pacific. Our belief is that money is only worthwhile if it is in circulation in the community providing education, healthcare, access to nutrition and improved infrastructure. We want this company to demonstrate that ensuring equitable wealth distribution is a key part of the way forward to better communities and the progress of humanity,” said Edwin

Tamasese, Project Manager, Samoa Coconut Cluster

In April 2016 PT&I Australia facilitated a relationship with Samoan Coconut Cluster Limited and TDi. TDi are business model specialists with expertise in building organisational capacity. Since July 2015, TDi have also been working with the Australian Government’s Department of Foreign Affairs and Trade (DFAT) to explore how to identify and grow investable social enterprises in the Pacific through the Pacific Investment Readiness Program.

From PT&I Australia’s introduction TDi started working with Edwin and the Samoa Coconut Cluster board in June 2016 to develop financial modelling, refine their business model and help them develop a social impact measurement framework.

Recognising the strong investment potential of the business, TDi also presented Samoa Coconut Cluster to Benefit Capital (who have established the Genesis Impact Fund to facilitate impact investment deals in the Pacific region), with the proviso that TDi would develop impact measurements for the potential investment. In August 2016, Benefit Capital approved an investment in the Samoan Coconut Cluster. Over time, this investment will help to deliver better returns to farmers within the cooperative.

Nutritional Information	
Serving Size 1 Tbsp (14g)	
Per	14g
Calories	120
Calories from fat	120
	% Daily Value*
Total fat	14g
Saturated fat	12g
Trans fat	0g
Cholesterol	0g
Energy (KJ/10mg)	3,534
Polyunsaturated fat	1g
Monounsaturated fat	1g
Sodium	0g
Potassium	0g
Total carbohydrates	0g
Fiber	0g
Sugars	0g
Protein	0g

Completely natural
No need to refrigerate
Unrefined
Unbleached
Cold pressed

Absolutely nothing other than pure, tropical Coconut Oil!

Not a significant source of dietary fiber, sugars Vitamin A, Vitamin C, Calcium or iron.
* Percent Daily Values are based on a 2,000 calorie diet
** Daily value not established

SAMOA COCONUT CLUSTER

100% Virgin Coconut Oil

NET 1 LITRE

Samoa Coconut Cluster is a collective group of farmers proudly processing the finest organic tree ripened coconuts for our raw virgin oil. As a centrifuged oil you will find it has a mild and pleasant aroma. Coming from the heart of Polynesia you are assured of product sourced from one of the most pristine and unspoiled places on this green Earth.

No need to refrigerate

Local dist. Name and Address

USDA ORGANIC

Made in New Zealand

100% Organic

Labelling developed by PT&I Sydney

SOLOMON ISLANDS

CAPITAL: Honiara

AREA: 28,400 KM²

POPULATION: 642,000

GDP GROWTH (% PER YEAR): 3.3%

MAIN INDUSTRIES: Subsistence farming, commercial farming, manufacturing, fishing, forestry and mining

MAJOR EXPORTS TO AUSTRALIA: Wood, gold, animal feed and vegetable oils & fats

The Solomon Islands has been steadily rebuilding its economy over the years supported by several industries (fishing, mining, timber), and various agricultural products including cocoa, coconuts, palm kernels, rice, fruit, cattle, pigs, fish, and timber.

Tourism numbers have risen progressively in the past decade. Recent statistics show over 20,000 arrivals each year. PT&I Australia has leveraged its Digital Tourism program to boost this important economic income stream by creating new website solutions to Rendova based accommodation provider, Titiru Eco Lodge.

In total, PT&I Australia provided 33 services to Solomon Island businesses in 2016. Some of these services included providing advice and information, assisting with marketing and promotions, and hosting client attendance at events.

For example, this year PT&I Australia, in partnership with ABV delivered the YES program in Solomon Islands, four weeks of workshops focusing on small business best practice. Some 18 participants were in attendance, nearly half were women, all were tourism accommodation operators.



Titiru Eco Lodge - Ugehe Village, Rendova Island

Another event that benefited Solomon Islands was the PT&I Australia annual art exhibition, Maketi Ples. Ralph Geoffrey Ako, representing the Bareho Carvers and Paper Project, brought his work to

the exhibition in the cultural heart of Sydney and made some satisfying sales during the period.

54 outcomes

reported by clients as a result of PT&I services

CASE STUDY

BUILDING THE SOLOMON ISLAND'S VALUE ADD

C-Corp Solomon Islands grows, processes and exports high quality graded cocoa beans.

With the assistance of the ECF Funding (an initiative of AusAid), C-Corp has rehabilitated and redeveloped commercial scale cocoa plantings in Horokiki and 60 ha of new cocoa plantations in collaboration with local landowners in East Guadalcanal. C-Corp have also established three cocoa processing facilities on Guadalcanal. Wet beans are fermented and dried in accordance with our protocols to ensure quality.

In June 2016, PT&I Australia connected C-Corp to a Sydney distributor of Pacific products and was keen to include Solomons Gold chocolates and cacao nibs in its mix of products. The Australian distributor also has an online distribution channel and focuses on working with village groups and cooperatives in the Pacific. This first shipment of both chocolates and cacao nibs resulted in great sale for C-Corp. Following this first shipment, both C-Corp and the distributor have developed a good relationship with further orders of expected in 2017. PTI Australia also hosted C-Corp at Fine Foods Australia, a four-day trade where their products were showcased to over 20,000 attendees.



Solomon Islands represented at Fine Food Australia 2016

TONGA

CAPITAL: Nuku'alofa

AREA: 748 KM²

POPULATION: 106,170

GDP GROWTH (% PER YEAR): 3.4%

MAIN INDUSTRIES: Subsistence farming, fisheries, forestry, and tourism

MAJOR EXPORTS TO AUSTRALIA: Fruit, nuts, spices, vegetables, and fish

The Kingdom of Tonga (technically a constitutional monarchy) is a Polynesian sovereign state, scattered over 700,000 square kilometres of the Pacific Ocean, an area roughly equivalent to the state of NSW in Australia. Most of the country's 100,000 inhabitants live on the island of Tongatapu. Tonga's proximity to Fiji, Samoa and New Caledonia, has benefits in terms of interregional trade, tourism, and shipping lines.

Much of Tonga's employment, exports and food is supplied from the local agriculture, fishing, and forestry industries. Squash, vanilla beans, and cassava are the main crops with two-thirds of agricultural land being taken by root crop farming. Tonga is dependent on external aid and remittances from overseas to offset its trade deficit which is why Pacific Trade Invest Australia is encouraged by the government's commitment to developing the private sector and stimulating investment.

However, a current challenge to Tongan exporters is that the Australian market for VCO is being saturated by cheaper South East Asia suppliers, leaving it very difficult for anyone else to gain a



toehold. Nevertheless, PT&I Australia's export team found a brilliant intra-regional opportunity for Tongan exporter Tonga National Youth Congress. A connection was made in 2016 with a Samoan distribution company who has agreed to purchase VCO and on sell into New Zealand.

In May 2016, PT&I Australia facilitated an exporters mission to Australia, focusing on Tongan taro and cassava.

Tonga's amazing artistic heritage shone strongly at this years' Maketi Ples with the country being represented by four creative artists whose work caused wonder and much admiration amongst

the visiting crowds. Initial sales have been great and further connections have been made, including a nascent exploratory connection with an Australian Art and Craft entrepreneur who currently owns 40 stores nationwide. The attending artists were Anutaisa Kali, Cristobel Finau, Sione Maileseni, and Viliami Moala. Total sales made by Tongan artists at the event came close to \$30,000.

In 2016 PT&I Australia delivered our Digital Tourism program to five Tongan accommodation providers, supplying them with website solutions to increase their booking numbers. Total sales for that year, attributed to PT&I Australia's efforts, were US\$145,315.

57 services

provided to Tongan
businesses

CASE STUDY

CREATING A VISUAL PRESENCE IN THE MARKET

A logo is the visual cornerstone to a company's brand. Its identity is visually expressed through its logo and other visual elements to position it in the market and attract sales. A business' visual identity is very important, especially when operating internationally.

For small Pacific Island exporters, it can be difficult to access the skills and get financing for logo development, product packaging and collateral design. Building on the work completed by PT&I Australia with the Made in Tonga project in 2016 PT&I Australia assisted four Tongan businesses; TetaTours Tonga, Hilands Foods, Taste of Tonga, and Nishi Trading with a range of design services including logo development, brochure design, packaging design and compliance checking and a website refresh.

This work allowed these businesses to position themselves confidently in the international market.

"Hilands Foods is privileged to be working with Jeremy Grennell for some years. Jeremy introduced us to (PT&I Australia's) package design service for frozen produce. Chris Brimble has been very patient and considerate with us and has created some very good designs.

"Whilst the products are not released yet, the stakeholders who have seen the design work absolutely love it, here and abroad," said Raj Bachu General Manager, Hilands

"Our business is one of the Leading Tour Operators in Tonga because of the help and expertise looking after our websites / brochures and promotions (by PT&I Australia). The feedback we've had is very user friendly to look up tours on our website." Tomasi Lemoto General Manager, TetaTours Tonga.



TUVALU

CAPITAL: Funafuti

AREA: 26 KM²

POPULATION: 9,916

GDP GROWTH (% PER YEAR): 3.5%

MAIN INDUSTRIES: Fisheries, commercial fishing licences, and seafaring

MAJOR EXPORTS TO AUSTRALIA: Refined petroleum, rubber products, metal containers, vehicle parts and accessories

Tuvalu is one of the smallest nations in the world, and one of the most threatened by man-made climate change. The isolated islands depend entirely on food and fuel imports. Fishing licences account for nearly half the total GDP. Latest export figures show only a total of USD\$600,000 in 2010, made up of copra and fish sales.

With very little opportunity to assist export, PT&I Australia focuses on the country's tourism industry. Through the Digital Tourism program in 2016 a local accommodation provider in Tuvalu continues to attract a great number of bookings.



The stunning beauty of Tuvalu - Photo by Kirkland Photography

CASE STUDY

A SPARKLING GEM IN THE PACIFIC OCEAN

Tourism plays an important economic driver in the Pacific Islands, leading to economic growth and employment opportunities. The tourism market is very competitive and it can be difficult for smaller Pacific nations like Tuvalu to gain awareness in the international tourism market.

To assist with developing Tuvalu's exposure in 2016 PT&I Australia continued its support of Treasures of the South Pacific and in particular Hidden Treasures of the South Pacific, which provides online exposure to the beauty and unique selling proposition of Tuvalu as a holiday destination.

PT&I Australia understands the importance of using digital marketing to create awareness and sales. A website developed for Filamona Hotel with PT&I Australia's support has online booking capability to help drive bookings generating USD \$24,362 in sales for Filamona Hotel in 2016.



Friendly staff and owners of Filamona Lodge, Tuvalu

VANUATU

CAPITAL: Port Vila

AREA: 12,189 KM²

POPULATION: 264,652

GDP GROWTH (% PER YEAR): -1.0%

MAIN INDUSTRIES: Cattle, commercial and subsistence farming, fisheries, offshore financial services, and tourism

MAJOR EXPORTS TO AUSTRALIA: Animal feed, tobacco, animal hide (excl fur skins), and vegetable oils & fats

The volcanic islands of Vanuatu rely on agriculture, fishing, offshore financial services, and tourism for economic growth. Most tourists come from Australia and New Zealand, with increased efforts from the government to boost arrival numbers over the last decade showing dividends.

In 2016 PT&I Australia seconded Donald Pelam to the Australian office as the Vanuatu Trade Commissioner to Australia and provided a range of services, resulting in clients reporting over 100 specific outcomes, half of which were improved products or services.

Vanuatu was showcased at three major Australian events. At Fine Food Australia (Australia's leading Trade Show) we hosted four Vanuatu companies, allowing them to present their top-quality products to serious international buyers. These companies were Epi Oil, Fine Foods/Vanuatu Direct, Tusker Beer and Lapita Cafe. Tony David Bruce and Dolasa Handicrafts, attended PT&I Australia's 2016 Maketi Ples exhibition. Vanuatu's beauty export, Volcanic Earth was showcased at the Australian Beauty Expo in August 2016.

A number of introduction were facilitated between Vanuatu businesses and Australian buyers including a high-level introduction between Tusker Beer and a Woolworths Sourcing Manager. We introduced Brums Services (Taro exports) to Brisbane distributors. Lapita Cafe was introduced to three distributors in Sydney. We introduced Cocoa Growers Association (CGA) to a buyer in Mudgee. We connected Oxfam Australia and the Vanuatu company, Activ Chocolate and we worked further with Venue Vanilla LTD by introducing them to a buyer in Sydney interested in their vanilla, turmeric and ginger. PT&I Australia also connected Bella Oil with a buyer in Australia.

Our Export Services Team met with a number of companies in Vanuatu to assess their export capabilities including Island Muesli, Aore Coffee LTD and a start-up timber company called Malekula Timber.

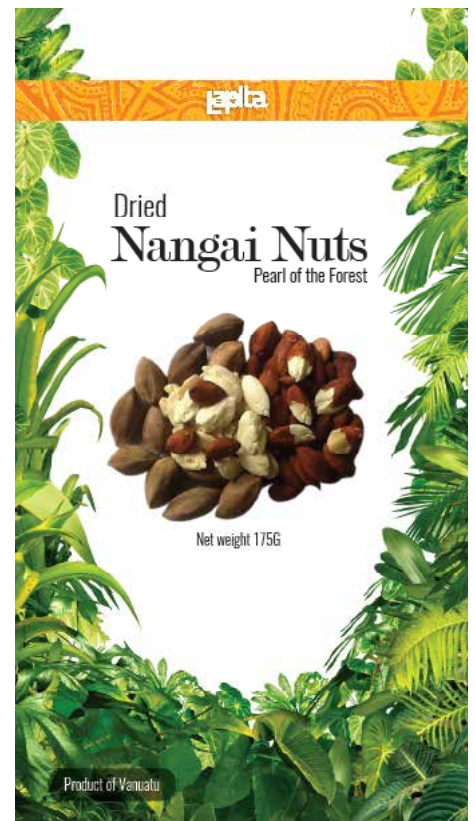
Aore Coffee has a very interesting hybrid coffee plant that we are currently running market testing through a local cafe in Sydney.

In 2016, we opened a new partnership with POETCOM, in an effort to assist further Vanuatu companies achieve Organic Certification which adds massive value to any product being sold in Australia.

PT&I Australia provided much needed labelling and graphic design services to Vanuatu companies such as Vanuatu Direct and Lapita Cafe. We also developed www.vanuatuproducts.com - an online resource for potential buyers looking for information on Vanuatu exports.

Tourism is a major export for Vanuatu, in November 2016 PT&I Australia returned to Vanuatu with our upgraded Digital Tourism program, delivering a digital workshop in Port Vila and supporting the development of website. Five tourism operators from Efate were provided with new website solutions, Le Life Resort; Coral Motel; Vila Hibiscus; The Hub Vanuatu; and Gahenas Tours.

As part of our Scope Global partnership we provided an Impact Grant to Malampa Handicraft Centre.



Packaging developed by PT&I Sydney

104 outcomes reported by clients as a result of PT&I services

CASE STUDY

DEEPENING RELATIONSHIPS TO DELIVER ONGOING RESULTS

Vanuatu is a country that is diverse in both its exports and investment opportunities. To grow international export and investment for Vanuatu it's important for Vanuatu to grow its exposure in overseas markets and those working in the government understand the cultural differences and expectations of overseas markets such as Australia.

PT&I Australia understands the importance of building strong relationships within the Pacific Island nations we service and understand the first-hand the differences in working environments between the Pacific Islands and Australia and the importance of giving Pacific Islanders the experience of working in the Australia.

With the intention of deepening our relationship with Vanuatu in 2016 PT&I Australia seconded Donald Pelam as the Vanuatu Trade Commissioner to Australia. Through this secondment, PT&I Australia was able to expand it's reach into Vanuatu and having Donald as a Vanuatu Government representative on the ground in Australia we were able to bring a real focus on Vanuatu and its exports in the Australian market leading to successful outcomes for Vanuatu businesses including:

- Showcasing four Vanuatu exporters Epi Oil, Fine Foods/Vanuatu Direct, Tusker Beer and Lapita Café at Fine Food Australia 2016, leading to international market exposure and sales.
- Showcasing Volcanic Earth at the 2016 Australian Beauty Expo
- Numerous introductions for exporters with Australian buyers
- Delivering a Digital Tourism workshop in Port Villa, Vanuatu



Donald Pelam (left) with PT&I Australia Trade and Investment Commissioner, Caleb Jarvis

The outcomes of this collaboration were immense for PT&I Australia, the Vanuatu Government, and the Vanuatu private sector. Over the course of the secondment Donald Pelam was able to develop long term relationships between Vanuatu exporters and Australian importers.

Donald said the secondment allowed him to deepen his understanding of what the Australian market looks for, arming him with the knowledge to assist Vanuatu businesses to ensure that understand international requirements.

"The secondment has been very valuable, it's allowed me to increase my understanding and experience in international Trade. I've increased my professional network and I've helped facilitate a lot of positive outcomes for Vanuatu businesses which wouldn't have been possible without the support of PT&I Australia and working as part of the team." Donald Pelam, Vanuatu Trade Commissioner to Australia, Government of the Republic of Vanuatu.

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

In our opinion, the financial report* presents fairly, in all material respects, the financial position of Pacific Islands Trade & Investment Commission as at 31 December 2016 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1(a) to the financial statements.

A D Daniele Audit Pty Ltd

BALANCE SHEET

	2016	2015
CURRENT ASSETS		
Cash & Cash Equivalents	\$228,485	\$683,905
Other Financial Assets	\$540,022	\$40,022
Trade & Other Receivables	\$1,868	\$3,880
Prepayments	\$3,710	\$3,961
TOTAL CURRENT ASSETS	\$774,085	\$731,768
NON-CURRENT ASSETS		
Property, plant & equipment	\$101,168	\$46,359
Other assets	\$33,055	\$16,863
TOTAL NON-CURRENT ASSETS	\$134,223	\$63,222
TOTAL ASSETS	\$908,308	\$794,990
CURRENT LIABILITIES		
Creditors and accruals	\$248	\$49,572
Provisions	\$63,836	\$37,963
Deferred income	\$-	\$-
TOTAL CURRENT LIABILITIES	\$64,084	\$87,535
NON-CURRENT LIABILITIES		
Provisions	\$174,110	\$42,701
Total liabilities	\$238,194	\$130,236
NET ASSETS	\$670,114	\$664,754
ACCUMULATED FUNDS		
Opening Accumulated Surplus	\$664,754	\$233,982
Current Accumulated Surplus	\$5,360	\$430,772
TOTAL ACCUMULATED FUNDS	\$670,114	\$664,754

*These financial statements have been finalised, audited and approved by:

A D Daniele Audit Pty Ltd
Chartered Accountants

Aileen Russell
Elizabeth Calaitzopoulos
MNSA Accountants

Caleb Jarvis
Trade and Investment Commissioner
Pacific Islands Trade & Invest Australia

STATEMENT OF INCOME AND EXPENDITURE

	2016 ACTUAL	2015 ACTUAL
OPERATING REVENUE		
Government Grants & Funding	\$2,500,000	\$1,452,000
Interest	\$9,033	\$13,941
Other	\$3,946	\$-
TOTAL OPERATING REVENUE	\$2,512,979	\$1,465,941
PERSONNEL EMOLUMENTS		
Personnel Emoluments	\$1,138,691	\$496,003
Subtotal	\$1,138,691	\$496,003
ADMINISTRATION		
Computer	\$107,268	\$16,634
Consulting	\$1,983	\$5,000
Depreciation	\$19,614	\$9,335
Incidentals & Legal	\$65,186	\$17,627
Insurances	\$6,982	\$6,444
Workshop and Conference	\$5,758	\$10,658
Office Maintenance	\$4,689	\$3,042
Office Supplies	\$19,916	\$12,426
Postage and Freight	\$6,532	\$5,880
Printing and Stationery	\$12,500	\$7,278
Rent	\$158,590	\$167,377
Telephone, Internet & Fax	\$39,578	\$14,944
Utilities	\$6,064	\$4,701
Miscellaneous	\$119,108	\$8,359
Subtotal	\$573,768	\$289,705
AUDITING & FINANCIAL CHARGES		
Audit & Accounting	\$34,808	\$20,697
Bank Charges	\$3,401	\$2,869
Subtotal	\$38,209	\$23,566
WORK PROGRAM		
Core Grant Expenditure		
Exporter Services	\$221,464	\$47,576
Creative Arts/Publications	\$86,086	\$23,646
Investment Promotion & Seminars	\$101,525	\$44,735
Tourism Promotion Development	\$57,500	\$6,000
Knowledge & Information Management	\$46,226	\$-
Trends & Development	\$899	\$-
Vehicle Running and Capital Purchases	\$41,239	\$16,536
Duty Travel	\$202,012	\$87,402
Subtotal	\$756,951	\$225,895
TOTAL OPERATING EXPENDITURE	\$2,507,619	\$1,035,169
OPERATING PROFIT	\$5,360	\$430,772







**Pacific Islands
Trade & Invest**

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