

# SOLOMON ISLANDS

Situation today and vision of the future

## AORANGI VISION OF THE SOLOMON ISLANDS



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# Situation today and vision of the future

## Economic picture – today (snapshot)

- **Size and dynamics:** nominal GDP ~1.76 **billion USD (2024)**; GDP per capita ~**2,150 USD**; The IMF estimates **growth of ~2.4% in 2024 and ~2.8% in 2025.**, with a persistent budget deficit (~3% of GDP).
- **Export structure (2023): wood 41%, minerals 26%, fish 17%** – dependence on raw materials is high.
- **Natural resources:** a long history of overlogging – logging in good years reached **~22% of GDP, 70% of commodity exports and 19% of domestic revenues**, but stocks are declining and revenues are weakening.
- **Fisheries (tuna):** annual catch of about **100,000 t**, ~30% is processed locally (Soltuna/NFD), the sector generates significant public revenues.
- **Energy and infrastructure:** electrification remains low outside the capital; WB/IFC estimate: about **16% of the population is connected to the grid** (another ~8% to its own generators). **The Tina River Hydropower project (15 MW)** should cover a large part of Honiara's demand and reduce expensive diesel production. At the same time, in 2019, the **Coral Sea** submarine fiber optic cable (Honiara–Sydney + domestic network to Auki/Noro/Taro) was released, which greatly improved connectivity.
- **Demography and human capital:** ~800,000 inhabitants (young population; median ~23.5 years). Data on education are uneven; challenges are the quality of primary/lower secondary education and low TVET capacities

## Sector overview: strengths, limitations, perspectives

- a. **Forestry** – In the short term, it continues to yield foreign currency, but **the downward trend** is due to resource depletion and regulatory weaknesses; the transition from export of logs to **value added (sawmills, veneer, certified plantation timber)** is necessary.
- b. **Mining (gold, nickel, bauxite)** – Renewed activity (e.g. **Gold Ridge** expands plant; nickel from Isabel Island); the potential is considerable, but **revenue management and social/licensing risk** (e.g. Rennell bauxite, environmental damages) remain key concerns; a stricter fiscal and ESG framework is needed.

- c. **Fisheries/tuna** – Stable biomass base in the WCPFC region; room for growth through **greater local processing (cans/loins, fishmeal, cold chain)** and better contracts for the economic zone (licenses, monitoring).
- d. **Agriculture (cocoa, copra, palm oil)** – Plantation rehabilitation boosts exports; inclusive for rural households, but requires **agro-advisory services, market access and finance**.
- e. **Tourism** – Great **untapped** potential (marine parks, diving, fishing, cultural tourism); limitations: **air and sea capacities, higher category accommodation, visas/logistics**. Infrastructure investments (airport, ports) help, but a co-ordinated destination strategy is needed.
- f. **Digital/telecom** – **Coral Sea Cable** and domestic fiber optics to Auki/Noro/Taro create a base for **e-government, fintech and BPO/remote services**; it is necessary to invest in **the last mile**, data-centers and digital skills.

## People and skills (education and labour market)

- The population is young, but **learning outcomes and secondary school completion** are poor; the available UIS/SDG4 profiles indicate **low coverage of early and secondary education** and the need for TVET (shipbuilding, electro-solar, manufacturing, hospitality).

## Government guidelines and their feasibility

- **GNUT (2024–)** sets out 4 pillars: **economic transformation, unity/stability, infrastructure, human capital**, with a focus on **ocean resource/blue economy** and **land reform**. There are also short-term "**100 days**" priorities: **tax and budget consolidation, national investment pipeline, economic summit, donor round-table, infrastructure projects**.
- **Feasibility Assessment:**
  - *What is realistic in the short term (0–24 months):* fiscal measures (tax thresholds/VAT, revenue leakage), harmonization of donor investments, acceleration of the Tina River and road-port-air infrastructure, "quick-wins" in fisheries (SPS protocols, cold chain) – everything is already in the programs and has partners.
  - *What is demanding (2–5 years):* land and concession reform, reversal in forestry (from logs to value chains), in-depth reform of mining fiscal rules and supervision (Rennell lesson), mass TVET. It needs political cohesion and stronger institutions of oversight.

- *Macro risks*: modest medium-term growth prospects, recurring **fiscal and current deficits**, commodity price volatility.

## General proposal – sustainable development in 3 lanes

### A. Diversification and local value (1-3 years)

1. **Fisheries 2.0** – expansion of processing (Soltuna + new plants for *loins*, fish oil/meal), "**cold chain**" to the provinces, digital VMS monitoring and transparent licensing agreements; goal: higher **local share in 100,000 t** and higher exports per tonne.
2. **Wood: moratorium on log exports** (phased) + incentives for **sawmills/ve-  
neer/furniture** with FSC/PEFC certification and plantation renewal; imposed "**no net loss**" standard and reforestation fund.
3. **Mining with social licenses** – mandatory transparency (EITI-like), **royalty model 50/30/20 (state/province/landowners)**, escrow for remediation, independent "chief inspectorate" and **ESG standards** aligned with IFC Performance Standards (application to Gold Ridge, nickel, bauxite).

### B. Energy, climate and infrastructure (1-5 years)

- 1) **Complete the Tina River (15 MW) + solar-battery microgrids** for islands (schools, clinics, ports), target **40-50% of the population with reliable elec-  
tricity** in the medium term; this also entails a drop in the cost of electricity for SMEs.
- 2) **Digital leap** – take advantage of **Coral Sea**: e-Government (taxes, land), e-tourism, **remote services/BPO**; rapid digital skills program (6-12 months) in SINU/TVET centers.
- 3) **Logistics for tourism and export** – complete the airport/port modernization (Honiara + secondary runways, communal ports with cold storage).

### C. People and Institutions (continuous)

- 1) **TVET "1000 craftsmen a year"** – shipbuilding/FRP, electricians-solars, cold chain, mechanical engineering, catering; public-private, scholarships through "levy" on concessions.
- 2) **Fiscal rules and resource income** – medium-term fiscal framework, **stabilization fund** for mineral/forest revenues, single **concession register** online.

## Financing and risk management

- **Blended finance:** WB/ADB/JICA + **GCF/AIFFP** for energy and climate infrastructure; **performance-related concession credits** (e.g. kWh from RES, m<sup>3</sup> of wood in certified chains).
- **Revenue reform:** closing customs/tax leaks, digital VAT and e-invoices; **SPS protocols** for the export of fish/agrarian products.
- **Land and Inclusion:** Standardised **Benefit-Sharing Agreements** with Environmental, Health and Education (Community Trusts) clauses.

## Conclusion (in one sentence)

By shifting logging from logs to value and restoration, **making mining** transparent and mutually beneficial, expanding the **fishing chain** to finished products, and making **electricity and digital** available via Tina River + microgrids and Coral Sea cables — Solomon Islands can transition from an "extraction economy" to **a resilient, blue-green economy** that employs the young population and stabilizes public finances.

# AORANGI VISION OF THE SOLOMON ISLANDS

## Introduction

The Solomon Islands stand at a crossroads – between a debilitating dependence on raw materials and a new era of sustainable, high-tech and inclusive growth. Our vision, through the synergy of **the AORANGI** initiative and partnership with the Solomon Islands Government, lays the foundation for **Singapore 2.0** and **Macao 2.0** in the heart of the Pacific.

By combining **free-hold land, the world's most advanced technologies** and **innovative financing through tokenization and the Prometheus ICF platform**, a new economic model is taking shape: *resources turned into value – value turned into prosperity for people.*

## Key Projects and Their Impact

### Energy Transition and Circular Economy

- **miniW2E plants:** processing of **250 kg of plastic/hour** into **120 L of synthetic diesel, 70 kg of synthetic gas and 12 kg of carbon.**

Local waste solutions, reduction of fuel imports, new jobs.

- **microW2E plants:** processing of **2000 kg of plastic/tires/hour** into **2 MW of electricity + 2 MW of thermal energy**.

Providing energy for **aqua and mariculture in closed systems**, industry and islands.

- **Treatment of biowaste with BSFL (Black Soldier Fly Larvae):** production of protein feed for aquaculture and fertilizers.

Closing the food and waste cycle, reducing the cost of animal feed.

## Agriculture, Mariculture and Food

- **Freeze-dried food preservation:** fully automated processing of fish and vegetables, ready for export.

- **Sea grape farm (Caulerpa lentillifera) + freeze-drying.**

Premium "superfood" exports to Asian and global markets.

- **Extraction of coconut, cocoa and palm oil using advanced technologies.**

Higher value and branded products.

## Energy independence and digital future

- **VRFB** batteries (vanadium redox): creating **micro-grids** for islands.

Reliable and inexpensive electricity for schools, clinics and industry.

- **A broadband wireless network** that connects all islands.

The foundation for e-government, digital commerce, education and health.

## World-Class Tourism

- **Paradise Golf Resort (Russells Islands):** PGA course, luxury villas, hospital-clinical center for advanced medicine, spa complexes.

- **Transparent submarines:** tourist tours for golfers' families and friends.

- **Airport expansion (Russells + main island):** Gulfstream G650ER and G800 charter fleet.

Creating **an elite Pacific tourist destination** and integrating with global air traffic.

## Social Development and Institutions

- **Construction of family apartments** on the main island: centralization of state administration on **free-hold land**.

- **Special Economic Zone (Russells Islands):** fiscal relief, financial hub, block-chain tokenization pilot projects.

- **Tokenization** of assets on its own blockchain platform (gold, energy, tourism, carbon credits).

Transparent financing, attracting global capital and local participation.

## Projection of the Impact on Economic Prosperity

If all projects are implemented in phases (3-7 years), the impacts are:

- **GDP growth:** acceleration from the current **~2.5% to an average of 7–9% per year.**
- **Exports:** diversification – fishing and logging fall below 30%, while energy, tourism, tokenized assets and freeze-dried food grow over 60% of the export share.
- **Employment:** 15,000+ new jobs, including uneducated workforce with "on-the-job" training as technologies carry knowledge in PLC controllers.
- **Energy:** up to 60% of the island covered by microgrids in 5 years; 40% reduction in electricity costs.
- **Tourism:** annual income from foreign tourists grows 4x; Solomon Islands becomes a "boutique Pacific hub".
- **Social development:** centralised administration, better healthcare, more young people working in the digital and maricultural sectors.

## Conclusion – Singapore 2.0 & Macao 2.0 in the Pacific

The combination **of high-tech solutions (W2E, VRFB, blockchain, freeze-drying)** and **attractive tourism (PGR, submarines, charter fleet)** is creating **new economic wings for the Solomon Islands.**

The Special Economic Zone on the Russells Islands provides the legal and fiscal framework to transform all these initiatives into **a globally recognized center of innovation, energy and tourism.**

**AORANGI and the Solomon Islands tomorrow** are not just a vision – it is **a realistic plan to transform the country** from a resource periphery into **an economy of knowledge and sustainable luxury**, or as our "Mastermind" likes to say – a country in which hedonism and sustainability walk together and in harmony – proving that this is possible and achievable.