



## Economic Development Strategy: Investment

The Economic Development Strategy outlines where we want our economy to be in ten years. An economy where we work together to build a dynamic, prosperous and inclusive future. An economy that works in harmony with our culture and environment. The Strategy looks at cross-cutting economic issues impacting our Islands, and the challenges and opportunities that we face over the next decade. It provides an outline of the actions we will take to set a stronger economic and fiscal foundation for our country.

### Objective 4: Investing in our islands

To build our economy, we need to invest in our Islands.

This means building better infrastructure like roads, telecommunications, water and drainage. We want investment in our country and to keep our national debt at a sustainable level. We want to make it attractive for businesses to operate in the Cook Islands through better regulations and incentives.

Investing in our Islands is about ensuring that we can have a more resilient economy, that is less reliant on the ups and downs of our major tourism markets.

Investment in the Cook Islands, public and private, stimulates demands for goods and services and builds the future capacity of local businesses

#### Grant investment creates innovative business hub

SCO Rarotonga is a local company that provides economically viable, socially conscious outsourcing operations to foreign businesses. They are creating professional pathways for local Cook Islanders. With the help of a grant under the SMART Economy Initiative, SCO Rarotonga is setting up an innovative Cook Islands Business Hub. They will provide commercial infrastructure, technology and support for businesses and aspiring young professionals, allowing them to collaborate with foreign customers more easily. It will help to showcase the Cook Islands as a skilled and talented outsourcing destination, which will help diversify our economy.

“We wanted to create an environment that allowed local professionals to be competitive in international markets. All we needed was a little investment to get the set up right.” Davina Hosking-Ashford, Co-founder and Director.

### Have your say

The Ministry of Finance and Economic Management (MFEM) is seeking feedback on the draft strategy by 11 December 2020. Please provide your written submissions on the draft Strategy:

- online through a short survey: <https://www.surveymonkey.com/r/SHY6MH5>
- by mail at PO Box 120, Avarua
- by email at MFEM.economics@cookislands.gov.ck, or
- in person at Level 1, MFEM Building, Avarua.



### How will the Strategy boost investment?

#### Stable macroeconomic setting

A steady macroeconomic environment encourages the private sector to invest in the future of their businesses.

#### Investing in essential infrastructure

Businesses need critical economic infrastructure to operate and expand.

#### Attractive and competitive business environment

To grow our economy, we need to be business-friendly and compete with the rest of the world as an investment destination.

#### Broadening our economic base

Growing our domestic economy means a more resilient economy less reliant on the ups and downs of our major tourism markets.

#### Boosting trade

Expanding our non-tourism service exports and goods exports is another opportunity for consistent job creation and income growth.

#### More local business content

Ensuring a higher proportion of the supply of goods and services is sourced from domestic Cook Islands businesses will grow our economy.

### What does this mean in practice?

Continued sound financial management by Government, keeping national debt at sustainable levels and planning for economic booms and busts.

More cost-effective Government investment in roads, transport services, telecommunications, electricity, water, sanitation and solid waste services.

Making our foreign investment rules more user friendly, keeping our tax system competitive, more supportive business regulations, improving access to cheaper credit and better consumer protection.

Growing our population to drive demand and building on our economic strengths in tourism by improving product quality and diversifying into different market segments.

Reducing trade barriers, building international trade and investment relationships and encouraging businesses to seek and supply new markets with competitive products and services .

Refining the Government’s procurement framework to increase local business involvement in major projects, while ensuring value for taxpayers’ money.

‘We need to inject resources, support and financing to increase the use of technology and online businesses.’

Participant, Economic Development Conference

‘The Pa Enua do not have the same access to essential services - education, transport, health, communication, infrastructure, ports, airport, roads, shipping, emergency services - as Rarotonga has.’

Participant, Economic Development Conference

