



## Economic Development Strategy: Transformation

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 2: Transforming our economy

Over the next decade, we need to transform our economy. To ensure we can be more resilient, we need to diversify and become more innovative.

We can do this by better use of digital technologies and supporting innovation in our community. Our creative and cultural industries, demonstrate our creativity, ideas, skills and talents and have the potential to grow and diversify our domestic economy.

We want to see increased competition in many sectors of our community to help reduce the cost of living. We want to improve government services and allow capacity to capitalise on new economic opportunities.

The Cook Islands economy is heavily reliant on one major industry, tourism and lags behind on using digital technologies. A more productive, complex and diversified Cook Islands economy will be more vibrant and better able to face economic shocks.

#### Getting innovative as new markets open

Nikao-based, Vaiana and Brett George are small business owners with three children. “When someone says economy to me, I naturally think about people. People make up an economy,” says Vaiana.

COVID has inspired the couple to get innovative. The enterprising couple has moved their black pearl jewelry market stall online. To meet new market demand with more people working and studying from home, they also started building home office furniture with materials sourced from local suppliers.

### 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 transform our economy?

**Promoting innovation**

Innovation – the creation and use of valuable new products and processes by businesses – will grow our economy by making businesses more productive, competitive and profitable.

**More competition and market efficiency**

Effective competition between businesses and markets that work well mean lower prices and better services for customers.

**Better delivery of Government services**

Providing Government services more effectively and cheaply means we can do more with less money.

**Building our creative and cultural industries**

These industries are driven by individual creativity, ideas, skill and talent and has the potential to grow and diversify our domestic economy.

**Seizing new economic opportunities**

Making the most of new economic opportunities, whether completely new or done in a better way provides a path to diversify and strengthen the economy.

What does this mean in practice?

Developing an Innovation Strategy that will help businesses invest in the research and adoption of new products and processes.

Making an independent authority responsible for setting electricity prices, reviewing grocery prices in the Pa Enua and reviewing competition in the banking sector to ensure customers are protected.

Continuing to improve our public financial management & procurement systems & delivering more services online.

More support to build economic opportunities from our cultural heritage and a grant funding scheme to directly help creative industry businesses with commercial proposals.

Proceeding with seabed minerals licensing and exploration, investigating the potential for a marine support industry, encouraging the uptake of digital technologies by businesses to make the most of our telecommunication reforms and investment in the Manatua Cable.

Our economy should be diversified beyond tourism, and we should be encouraging small business innovation and investment in the knowledge economy.'

Participant, Economic Development Conference

'Ensure seabed harvesting happens so the dependence on tourism is relieved and the welfare of Cook Islanders becomes sustainable.'

Participant, Economic Development Conference

