

Overall performance

For an economy of its size, the Solomon Islands has experienced a high value of recent private investment activity, with the completion of a few major deals. However, it could improve its procurement processes by conducting formal market soundings and reducing procurement durations. Its governance of infrastructure could also be improved, including through reforms to shareholder protections for infrastructure businesses.

Drivers	Score(/100)	Score change (2017-20)	Emerging	Aspiring	Contender	Top performer	Global leader
Governance	46	—	Light Blue	Light Blue	Light Blue	Grey	Grey
Regulatory frameworks	48	↑ 1	Green	Green	Green	Grey	Grey
Permits	47	↑ 1	Blue	Blue	Blue	Grey	Grey
Planning	69	—	Grey	Grey	Grey	Grey	Grey
Procurement	60	↓ 3	Light Green	Light Green	Light Green	Light Green	Grey
Activity	77	↑ 9	Teal	Teal	Teal	Teal	Grey
Funding capacity	20	—	Orange	Grey	Grey	Grey	Grey
Financial markets	29	↑ 1	Yellow	Yellow	Grey	Grey	Grey

Solomon Islands at a glance



\$2,247
GDP per capita
(USD, 2019)



0.6 million
Population
(2019)



—
Infrastructure investment
(2019 estimate)



—
Infrastructure gap
(2019 estimate)



—
Infrastructure quality
(0-100, 100 is best, 2019)



—
Private infrastructure investment
(5-year average, USD, 2019)

Top performing metrics



100/100

Private infrastructure investment

At 1.4% of GDP, the Solomon Islands had the highest value of private infrastructure investment as a share of GDP over the last five years of all InfraCompass 2020 countries. This may be impacted by the COVID-19 pandemic.



100/100

Value of closed infrastructure deals with foreign equity sponsorship

The Solomon Islands has one of the highest values of closed infrastructure deals with foreign equity sponsorship among InfraCompass 2020 Countries, at 0.5% of GDP. A high value may reflect favourable trade conditions and lower barriers to foreign investment, but the COVID-19 pandemic may impact international capital flows.



91.5/100

Gross government debt

The Solomon Islands gross government debt amounts to 10% of GDP, lower than the Lower Middle Income Countries' average of 54%. The COVID-19 pandemic may increase debt levels, but the Solomon Islands is currently in a stronger fiscal position to fund infrastructure than its peers.

Opportunities to grow



0/100

Average procurement duration – transaction RFP

At 98 months, the Solomon Islands has the longest duration from announcement of a tender to contract award of any InfraCompass 2020 country. Lengthy procurement durations add costs, risks and down time to contractors bidding for and investing in infrastructure projects.



No

Market sounding and/or assessment

According to the World Bank, there is no formal requirement for a market sounding process in the Solomon Islands. Adding one could allow the government to determine if there is an interest from investors and lenders to provide commercial financing for projects.



0/100

Shareholder governance

The Solomon Islands is not considered to have strong legal protections for shareholders. A failure to adequately enforce disclosure and transparency standards lowers the confidence of investors, hurting entities that fund or deliver infrastructure.

For guidance on how to improve these metrics, please see the [Solomon Islands Country Page](#) on the InfraCompass website.



ECONOMY OVERVIEW

GDP (\$US billion, 2019)	1.4	Population (million, 2019)	0.6	Unemployment rate (2019)	1.8%
GDP per capita (\$US, 2019)	2,247	Urbanisation ratio (2018)	24.0%	Inflation rate (2019)	0.4%
GDP growth rate (annual, 2019)	2.7%	Gross Government Debt (% of GDP, 2019)	11.0%	Digital Adoption Index (0-1 best, 2016)	0.27
GDP per capita growth rate (annual, 2019)	2.3%	Sovereign risk rating (2019)	25	Gini coefficient (0-100 worst, 2013)	37.1

METRIC SCORES

The below metrics are normalised so that they all range from 0 to 100. For original metrics and data sources, please see <https://infracompass.github.org/>

GOVERNANCE		REGULATORY FRAMEWORKS		PERMITS	
Post-completion reviews?	Yes -	Effect of taxation on incentives to invest	46.5 [^] ↑	Cost to start a business	45 ↑
Infrastructure or PPP unit/agency?	Yes -	Prevalence of foreign ownership	56.8 [^] ↑	Dealing with construction permits	68.6 -
Recovery rate	24.4 -	Product market regulation, network sectors	54.2 [^] -	Quality of land administration	36.7 -
Rule of law	45.4 ↑	Regulatory (including competition) quality	33.2 ↑	Registering property	22.8 -
Shareholder governance	0 -	Strength of insolvency framework	37.5 -	Time required to start a business	80.1 -
Political stability and absence of violence	55 ↓	Investment promotion agency?	Yes -		

PLANNING		PROCUREMENT		ACTIVITY	
Published project pipeline?	Yes -	Average procurement duration – transaction RFP	0 -	Infrastructure investment	66 [^] ↑
Published infrastructure plan?	Yes -	Degree of transparency in public procurement	38.2 [^] ↓	Private infrastructure investment	100 -
Preparation of PPPs	28 -	Published procurement guidelines?	Yes -	Value of closed PPP infrastructure deals	40.9 [^] ↑
Economic analysis assessment?	No -	Procurement of PPPs	54 -	Value of closed infrastructure deals with foreign equity sponsorship	100 -
Market sounding and/or assessment?	No -	PPP contract management	14 -		
Environmental impact analysis?	No -				

FUNDING CAPACITY

FINANCIAL MARKETS

GDP per capita	2.9 ↑	Domestic credit to private sector	17.1 ↓
Gross government debt	91.5 ↓	Financing through local equity market	48.6 [^] ↑
Long term GDP growth trend	36.4 ↓	Stocks traded	11.6 [^] ↑
Summary credit rating	25 -	Financial depth	34.7 [^] ↓
		Financial stability	82.8 [^] ↓

Drawing on data from: International Monetary Fund, Organisation for Economic Co-operation and Development, World Bank, World Economic Forum, IJ Global, CEPII, Oxford Economics, Trading Economics, and Deloitte.

Metric key:

↑ Increase from InfraCompass 2017 ↓ Decrease from InfraCompass 2017 - No change from InfraCompass 2017

Note:

'Top performing metrics' are the metrics with the highest score out of 100.

'Opportunities to grow' are the metrics with the lowest weighted score out of 100. These metrics would have the greatest impact on the overall score.

^ Denotes interpolated metric data. See Technical Appendix for further explanation on the interpolation techniques.