

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

SOLOMON ISLANDS

Asia South East

Dialogue | Trust | Partnership

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WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Honiara (Guadalcanal Province)	Capital city and primary commercial, port, and government hub, serving as gateway for most foreign investment	Finance, logistics, retail, government-linked contracting
Tina River Hydropower site (Guadalcanal)	Site of the country's largest infrastructure project, a 15MW hydropower plant targeted to supply nearly 70% of Honiara's electricity by early 2028	Energy infrastructure, construction services
Gold Ridge (Guadalcanal)	Site of the Solomon Islands' primary historical gold-mining operation, with periodic renewed interest from mining investors despite a complex ownership and operating history	Gold mining, mineral processing
Western Province	Center of the logging industry and a growing ecotourism/dive-tourism base around the Western Province's reef systems	Forestry, tourism, fisheries
Malaita Province	Most populous province outside Guadalcanal, historically a center of political tension during the Tensions-era conflict and more recently tied to debates over Chinese-linked development financing	Agriculture, fisheries, limited infrastructure development
Munda / Western Province (New Georgia)	Established and growing dive-tourism destination with direct international flight connections	Tourism, hospitality, dive-tourism infrastructure
Renbel and outer provinces	Remote provinces with limited infrastructure but relevant to fisheries and future deep-sea mineral exploration interest	Fisheries, longer-horizon mineral exploration

INVESTOR ENTRY ROUTES

- Foreign investors generally register through the Solomon Islands Investment Corporation Limited and the Foreign Investment Division, which administers the Foreign Investment Bill approval process required before most foreign-invested businesses can commence operations
- Resource-sector investment (mining, forestry, and fisheries) requires sector-specific licensing through the Ministry of Mines, Energy and Rural Electrification or the Ministry of Forestry and Research, layered on top of standard foreign-investment approval
- The Central Bank of Solomon Islands administers foreign-exchange matters; the Solomon Islands dollar is managed against a currency basket, and investors should confirm realistic repatriation timelines given the country's narrow export base and import dependence
- Reserved sectors for local ownership exist in areas such as small-scale retail and limited categories of service businesses; foreign investors should confirm sector classification against the current Foreign Investment Negative List before structuring an entity

- Major infrastructure projects, including the Tina River Hydropower Project, have typically proceeded through multilateral development partner financing structures (World Bank, Asian Development Bank, Green Climate Fund, Abu Dhabi Fund for Development, Australia, and South Korea's Exim Bank), offering a template for similarly structured future projects
- Investors should expect to engage directly with provincial governments and customary landowner groups for any land-based project, given Solomon Islands' predominantly customary land-tenure system, which covers roughly 85% of land nationally

MARKET-ENTRY OBSERVATION

Solomon Islands enters October 2026 in the midst of a genuine political transition that followed one of the more dramatic episodes in the country's recent parliamentary history. On 7 May 2026, Prime Minister Jeremiah Manele, whose government had pursued closer ties with Beijing since the Solomon Islands' 2019 switch of diplomatic recognition from Taiwan to China, lost a no-confidence motion by 26 votes to 22 after months of coalition fragmentation and a failed attempt to delay parliament's recall through the courts. Parliament elected opposition leader Matthew Wale as the new prime minister on 15 May 2026. Wale, a longtime critic of the country's security and financial closeness to China, has signaled a more moderate, balanced foreign-policy approach rather than a wholesale reversal, describing Solomon Islands as wanting to be "friend to all and enemy to none" while still calling China a critical trading and development partner; several of his own coalition partners remain close to Beijing, a dynamic analysts have called a genuinely difficult balancing act. In July 2026, the Wale government signed a shiprider agreement with the United States enabling Solomon Islands law enforcement to operate from US Coast Guard vessels against illegal fishing and transnational crime, alongside a new security and police cooperation memorandum with Australia and the start of treaty negotiations with Canberra - both read as modest rebalancing moves, though Wale insists the country is not choosing sides in great-power competition.

Economically, the IMF's March 2026 Article IV consultation projected growth of around 3.5% in the near term, describing a gradual recovery driven by logging, construction, public investment, and a modest services rebound, alongside the country's largest infrastructure undertaking, the Tina River Hydropower Project, which reached roughly 23% construction completion in early 2025 and remains on track for commercial operation in early 2028. The IMF's central structural warning, consistent with years of prior assessments, is that logging - still the dominant engine of government revenue and export earnings - is depleting at a rate that will materially reduce output over the coming decade, and it has urged diversification into fisheries, agriculture, and tourism alongside stronger domestic revenue collection and public financial management as rising public spending and debt levels require careful handling.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Fresh political transition and coalition fragility	The May 2026 no-confidence vote and change of prime minister followed genuine coalition fragmentation, and the new Wale government itself depends on a multi-party coalition that includes members closer to China than the prime minister himself, creating real potential for renewed instability	Treat near-term policy continuity as provisional; engage local counsel and monitor coalition dynamics closely before committing to politically sensitive or long-horizon investments
Logging-revenue depletion and narrow economic base	Logging remains the dominant source of government revenue and export earnings, but the IMF expects output to decline materially as the resource depletes, threatening fiscal sustainability absent successful diversification	Favor investment in IMF-identified diversification sectors (fisheries, agriculture, tourism) over logging-dependent ventures; stress-test any logging-linked investment against a multi-year production decline
Customary land tenure complexity	Roughly 85% of land in Solomon Islands is held under customary tenure, requiring direct, often lengthy negotiation with landowner groups for any land-based project, alongside provincial government engagement	Budget substantial time and dedicated community-liaison resources for land-access negotiations; engage experienced local legal counsel early in any land-based project
Limited infrastructure and high transport costs	As a dispersed archipelago nation with limited inter-island transport and energy infrastructure outside Honiara, operating costs for investors outside the capital remain high	Factor self-provided power, transport, and logistics into capital budgets for any investment outside Honiara; monitor the Tina River project's progress as a potential cost-reduction catalyst for Honiara-based operations
Foreign-policy balancing act amid great-power interest	Solomon Islands' strategic location has made it a focus of competing US, Australian, and Chinese engagement; while the new government professes neutrality, this positioning carries some risk of renewed diplomatic or financing friction depending on how domestic politics evolves	Monitor the Wale government's foreign-policy signals and any shifts in Chinese, Australian, or US-linked financing arrangements relevant to specific sectors or projects

Issue	Potential Impact	Possible Mitigation
Thin formal financial sector and FX constraints	The banking and financial sector remains thin relative to the economy's needs, with limited credit access for small and medium enterprises and a managed, basket-pegged currency regime	Confirm realistic FX and financing arrangements with the Central Bank of Solomon Islands and a local banking partner before finalizing capital structuring
Import dependence and inflation exposure	A heavy reliance on imported fuel and goods leaves the economy exposed to external price shocks, with inflation affecting households and businesses in recent periods	Build input-cost volatility into financial projections for any consumer-facing or import-dependent business model

INVESTOR RISK NOTE

Solomon Islands presents a frontier-market risk profile shaped primarily by political transition risk and structural economic narrowness rather than acute security risk in the conventional sense: the country has no active conflict, and the new Wale government has so far pursued a genuinely moderate, balance-seeking foreign policy rather than a disruptive realignment. The more material risks for investors are domestic - a fragile coalition, a revenue base still overwhelmingly dependent on a depleting logging sector, and customary land-tenure complexity that can slow or complicate land-based projects - rather than any expropriation, currency-inconvertibility, or acute civil-conflict risk comparable to some other Pacific or frontier markets in this series.

MARKET ACCESS

Solomon Islands is a member of the Pacific Islands Forum, the Melanesian Spearhead Group, and the Pacific Agreement on Closer Economic Relations (PACER Plus), and maintains development and trade relationships with Australia, New Zealand, Japan, the European Union, and, since 2019, China. The country's July 2026 shiprider agreement with the United States and deepening security cooperation with Australia reinforce its position as a focus of broader Pacific engagement by multiple partners, though its own domestic market access and manufacturing base remain limited, and most foreign investment is oriented toward resource extraction, infrastructure, and tourism rather than manufacturing for export.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
Solomon Islands Investment Corporation Limited / Foreign Investment Division	Primary gatekeeper for foreign-investment approval under the Foreign Investment Bill	First point of engagement for any new foreign-investment entity
Central Bank of Solomon Islands	Manages monetary policy, the basket-pegged Solomon Islands dollar, and foreign-exchange matters	Key relationship for understanding realistic FX and repatriation timelines
Ministry of Mines, Energy and Rural Electrification / Ministry of Forestry and Research	Regulate mining, energy, and forestry licensing and development approvals	Essential counterparts for any resource-sector investment beyond standard registration
Office of the Prime Minister (PM Matthew Wale, from May 2026)	Sets overall national policy direction and foreign-policy balancing between China, Australia, and the United States	Monitor for continued policy-continuity signals and coalition-stability developments
Provincial governments and customary landowner groups	Hold practical authority over land access given the customary land-tenure system covering most of the country	Essential, often lengthy direct-engagement counterpart for any land-based project
Development partners (World Bank, Asian Development Bank, Australia, Green Climate Fund)	Co-finance major infrastructure projects such as Tina River Hydropower and provide a template for structured project financing	Relevant partners for any investor considering co-financed infrastructure participation
Pacific Islands Forum / Melanesian Spearhead Group	Regional bodies shaping broader Pacific trade, development, and diplomatic engagement	Useful context for understanding Solomon Islands' regional positioning and partner relationships

CURRENT INTERNATIONAL BUSINESS CHANNELS

Foreign investors commonly engage through the Solomon Islands Chamber of Commerce and Industry and sector-specific bodies linked to forestry, mining, and tourism. Development-partner-organized investor briefings, particularly those tied to Australian and World Bank/ADB-financed infrastructure programs, provide an additional practical channel for new entrants scoping the market.

INVESTOR PROFILE BEST SUITED

Solomon Islands suits investors with genuine frontier-market experience, a long investment horizon, and the patience to work through customary land-tenure negotiations and a still-forming political transition. It is a reasonable fit for infrastructure investors able to participate through established multilateral co-financing structures, for tourism investors targeting the country's dive-tourism niche, and for fisheries and agriculture investors aligned with the IMF's diversification priorities. It is a weaker fit for investors seeking rapid market entry, a developed financial sector, or near-term political certainty, and logging-dependent investment in particular should be treated as a structurally declining proposition.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Confirm foreign-investment approval pathway

Engage the Solomon Islands Investment Corporation Limited and Foreign Investment Division to confirm registration requirements and check the current Foreign Investment Negative List for sector restrictions.

STEP 2: Assess land-tenure and provincial engagement needs

For any land-based project, identify the relevant customary landowner groups and provincial government counterparts and budget realistic timelines for negotiation.

STEP 3: Map sector-specific licensing requirements

For mining, forestry, or fisheries investment, identify the applicable ministry licensing process in addition to standard foreign-investment registration.

STEP 4: Monitor political and coalition developments

Track the Wale government's coalition stability and foreign-policy signals before finalizing any investment with meaningful political-risk exposure.

STEP 5: Confirm FX and financing structure

Engage the Central Bank of Solomon Islands and a local banking partner, or explore co-financing with established development partners for infrastructure-linked investment.

WAVERLEY'S ROLE

- Independent assessment of Foreign Investment Division registration pathways and sector-specific licensing requirements for specific transactions
- Coordination with provincial governments and customary landowner groups on land-access negotiations for land-based projects
- Ongoing monitoring of the Wale government's coalition stability and foreign-policy balancing act relevant to investment timing
- Introductions to the Solomon Islands Chamber of Commerce and Industry and relevant development-partner-financed infrastructure programs

INVESTOR CALL TO ACTION

Engage Waverley for a structured foreign-investment registration and land-tenure assessment before committing capital to Solomon Islands.

Contact Waverley for an independent political-risk briefing on the Wale government's coalition stability ahead of any longer-horizon investment.

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Waverley is tracking opportunities across three tiers: (1) infrastructure investment linked to or modeled on the Tina River Hydropower Project's multilateral co-financing structure, benefiting from the project's progress toward a 2028 commissioning target; (2) tourism investment in the Western Province's established dive-tourism niche, supporting IMF-recommended economic diversification; and (3) fisheries and agriculture investment aligned with the same diversification priority, for investors willing to work through customary land-tenure and provincial-engagement requirements.

POSITIONING

Waverley views Solomon Islands as a genuine frontier-market opportunity best suited to patient, development-oriented capital rather than investors seeking rapid returns, with the country's current political transition adding a real but so far moderate layer of near-term uncertainty rather than a structural shift in investment conditions.

Waverley's approach is to help clients navigate Solomon Islands' customary land-tenure system and evolving foreign-policy balancing act while positioning investment toward the diversification priorities - fisheries, agriculture, and tourism - that both the IMF and the country's own development partners have identified as the sustainable path beyond logging-dependent growth.

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