



LEGISLATIVE ASSEMBLY OF SAMOA

Primary Production, Commerce, Industry and Labour Committee Report on

P.P. 2015/2016 No. 19 Ministry of Commerce, Industry and Labor Annual Report for the Financial Year 2013 – 2014

(Presented to the Legislative Assembly)

The Primary Production, Commerce, Industry and Labor Committee recommends that the Legislative Assembly take note of its Report.

1. RESOLUTION:

At the end of its investigations, the Committee resolved to recommend that the Legislative Assembly approve:

- **P.P. 2015/2016 No. 19, Ministry of Commerce, Industry and Labor Annual Report for the Financial Year 2013 - 2014; and**
- **The Committee Recommendations listed below.**

2. RECOMMENDATIONS:-

The Committee recommends the Government to:

- 1. Continue its Job Seekers Training and establish relationships with partners that can work closely with the Ministry to deliver this important service.**
- 2. Strengthen legal provisions to monitor the Reserved List and local businesses that are operated by foreign investors to guarantee their compliance with governing legal provisions.**
- 3. Develop suitable procedures to promote and publicize Acts and all the policies that administrate the local business owners and guide the operations of their businesses, particularly the new business owners.**
- 4. Enforce the monitoring of changes within the local business community, ensuring that the Ministry develops a risk management framework for any need or risk that may arise in the near future.**

3. FINDINGS:

3.1 Ongoing Work Outputs:

1. Vision

To support Government's vision to lead and excel in the provision of quality service to foster economic growth for all.

2. Mission

To provide an enabling legal environment for the development of the private sector to stimulate investment, industry development to boost productivity, fair trade competition, create full employment of local workforce and highly qualified trades people, generate more work opportunities encompassing temporary movement of natural persons, improve safe work environment, increase innovation and registry integrity in Samoa.

3. Objectives

1. Promote industry development, foreign investment and guarantee the rights of citizens to participate in the economy of Samoa.
2. Set standards to regulate fair competitive practices to promote fair level playing field in all trades.
3. Administer the Apprenticeship Scheme, Employment Services, Conduct labour market surveys for collection and dissemination of Labour Market information.
4. Promote and enforce labour and employment relations, foreign worker employment and occupational safety and health.
5. Manage the registries of companies, and other legal entities, and enforce statutory obligations. Management of IP registers and protection of rights of IP holders

3.2 Achievements:

OVERVIEW

1. Achievements for the Financial Year under review

It was noted that the Ministry was able to implement most of their work outputs and carry them forward from the last financial year to the financial year under review. Other major work outputs achieved include:

- Enhanced Integrated Framework Board approved US\$2.94 million under the Tier 2 EIF trust fund to further enable the implementation of sector planned activities;
- Developing Competition Law and Policy – which aims at creating a modern competition framework to benefit the economy;
- Amendment to the Apprenticeship Act to lift the standard of competency in the program;
- Employment permits under the Labor and Employment Relations Act was implemented under MCIL;
- Occupational Safety and Health 2014 Regulation – which aims at strengthening the monitoring and enforcement arm of the Ministry was approved
- Implementation of the E-Registry of companies as part of the reform of the Companies Legislations – recognized as a best international practice;
- Personal Property and Securities Act – which aims at improving access to finance & credit to improve cash flow for businesses finance for exports and agriculture was passed in April 2014.

2. Achievements in Previous Years

The Committee noted the Ministry's achievements from previous years. These include:

- Preparation of Samoa's accession into the World Trade Organization (WTO)
- Securing partnership with the ILO
- Development of competition laws and policies funded by the Pacific Island Forum Secretariat.
- The Savaii branch of MCIL was officially opened to provide the services available for the companies and the people living on the big island.
- Promoting and beginning the implementation of the Trade, Commerce and Manufacturing Sector Plan 2012 – 2016
- Review of the Apprenticeship program and establishment of National Competency standards
- Review and drafting of legislations including the Metrology Bill, consumer and Competition Bill, Citizenship Investment Bill, Public Holidays Amendment Bill, the Credit Union Bill, Fair Trading Amendment Bill, and the Trade Commerce and Industry Amendment Bill.

3.3 Response to Requirements:

1. Compliance with Legislations:

The Ministry's mandates are contained in 40 legislations which provide its key responsibilities in supporting the Government's national agenda as seen in the Strategy for the Development of Samoa 2012-2016. Reviews have taken place to update and reform its various legislations to comply with global business demands. It was noted that the Ministry complied with statutory provisions in carrying out its responsibilities and work outputs.

2. Compliance with Approved Appropriation for the period under review:

For the financial year under review, the Ministry managed to collect 20% more than the projected income compared to a surplus of 22% for the previous year. This is out of three recovery outputs of the Ministry, ie Registration Fees for Foreign Investment Certificates, Apprenticeship Scheme Training Fees, as well as fees collected for registries of Companies and Intellectual Properties. In March 2014 an additional revenue output was approved with the implementation of the recently passed legislation for the Labour and Employment Relations act 2013 specifically for the collection of work permit fees.

By the end of the financial year under review, the Ministry's total approved budget stood at \$26.5m, an increase of 43% from the previous year's budget of \$18.5m. This increase is attributed to the \$7m increase provision for the Samoa Tourism Authority included under MCIL's budget. In terms of the Ministry's actual spending by division, the \$3.97m approved budget, only \$3.67m was utilised. Greatest spending was noted for the Fair Trading and Registries of Companies as these two divisions had the highest budget provisions for their activities. Overall the Ministry managed delivery of 92% of the Ministry outputs compared to last year's delivery of 96%.

3.4 Areas Noted:

1. Areas noted by the Committee:

The Committee noted the successful progress of the Apprenticeship programme as one of the objectives the Ministry has achieved during the financial year under review. It was also noted that the Apprenticeship Act 2014 was passed during the period under review to repeal the Apprenticeship Act 1972.

The Committee questioned the Ministry on the outcome of the Job Seekers Training as there is still a high number of youths searching for jobs. The Ministry replied that after the implementation of this training, it was noted from the consultation with the participants that there is a great need for the continuation of this initiative. Twenty four jobseekers attended this one day training and each received certificates at the end. The Ministry submitted that approximately 60% of these participants successfully found employment after the training.

The Committee noticed a number of proposed work outputs that were not achieved in the financial year, including the estimated number of Foreign Investment Enterprises registered in the country. The financial year under review has recorded that out of the 39 registered Companies only 40% were launched and began operation. The Ministry submitted that this financial year has recorded the lowest number of foreign investment enterprises in the country and this is attributed to the unstable global economy and the enforcement of the Foreign Investment Act 2011.

Furthermore, the Committee questioned the monitoring of the Reserved List as there are many local businesses that are operated by foreign investors. This has been an ongoing issue that the Ministry faces challenges with. The breach in conditions as set in the Foreign Investment Amendment Act 2011 comes after non-citizens have been found to engage in reserved activities. Therefore the Ministry is now working closely with the Ministry for Revenue and the Ministry of the Prime Minister and Cabinet to try and minimize these non-compliance issues in the hopes that it will be able to completely resolve these continuing matters.

The changing local business community and its future was considered by the Committee as one of the most invaluable matters. The Committee believes that this area should be efficiently pursued and monitored by the Ministry as there is an increasing number of businesses and developments within the country. In addition, the Ministry should also monitor the global economic changes. The Ministry affirmed that they are beginning internal workshops focusing on this matter, especially in relation to foreign investors dominating our local business markets.

4. **WITNESSES:**

During the course of its investigation, the Committee sought the assistance of the following officials:

Ministry of Commerce, Industry and Labour:

- | | |
|----------------------------|-----------------------------|
| 1. Salote Meredith | - ACEO |
| 2. Fepuleai Roger | - ACEO (FTCD) |
| 3. Lealali Ioane Okesene | - ACEO (Legal) |
| 4. Karen Niumata | - Senior Officer (FTCD) |
| 5. Pulotu Lyndon Chu Ching | - ACEO (IDIPD) |
| 6. Lisi Faletutulu Asuao | - ACEO (Corporate Services) |
| 7. Helen Uiese | - ACEO (IRWPOSH) |

5. **PAPER CONSIDERED:**

- P.P. 2015/2016 No. 19, Ministry of Commerce, Industry and Labour Annual Report for the Financial Year 2013-2014.

6. **SIGNATURES OF COMMITTEE MEMBERS:**

LEAUPEPE Toleafoa A. Faafisi
CHAIRPERSON

TIALAVEA Fea T. Seigafolava
DEPUTY CHAIRPERSON

MAUALAIVAO Pat Ah Him
MEMBER

AFUALO Wood Uti Salele
MEMBER

FAIMALOTO Kika I. S. Stowers
MEMBER

AVEAU Nikotemo Palamo
MEMBER

AEAU Peniamina Leavaiseeta
MEMBER