

## 2 Solomon Islands Logistics Infrastructure

National infrastructure suffers from lack of capital input and coordinated long term planning. Government regularly budgets funding for Road, Port and Communication improvements however finance does not seem to materialise for these projects. On-going Foreign Aid has been directed at improving infrastructure and is likely to continue, albeit slowly.

The expansive nature of the islands presents a huge logistical challenge. With over 300 inhabited islands, many sparsely populated and with very little financial resources there is little economic incentive for significant private foreign investment in infrastructure. Interisland sea transport using small and medium size coastal vessels continues to be the main transport mode and for the foreseeable future it is likely that small-scale owner operators will dominate the logistics infrastructure landscape. While this has historically met current demands it inhibits the potential for both economic growth and meeting a large-scale surge requirement.