



VANUATU FINANCIAL
= SERVICES COMMISSION =

Embracing the Knowledge Economy for Vanuatu's Independence and Wealth

Path to Economic Self-Reliance

Current Situation

- Vanuatu is 44 / Historical context is unique
- Challenges: Geography, Climate, and Limited Resources
- Persistent Dependence on International Aid
- Sluggish Economic Growth and Stagnating Income
- Need for a Sustainable Economic Model



Knowledge Economy: A Solution

- High-Value,
- Low-Capital
- Environmentally Friendly
- Potential for Economic Self-Reliance
- Importance of an Educated Workforce
- Internet



The biggest Challenges

- Average Years of Schooling: 6.8
- Post-Secondary Education: Only 5%
- High Unemployment Among Youth
- Not enough Qualified Teachers
- Significant investment needed to upgrade quality of education system in Vanuatu
- Education as a Path to Independence
- Enhancing Literacy in English (or French)
- Need for Computer Literacy
- Internet Access in remote area



The Chicken and Egg dilemma

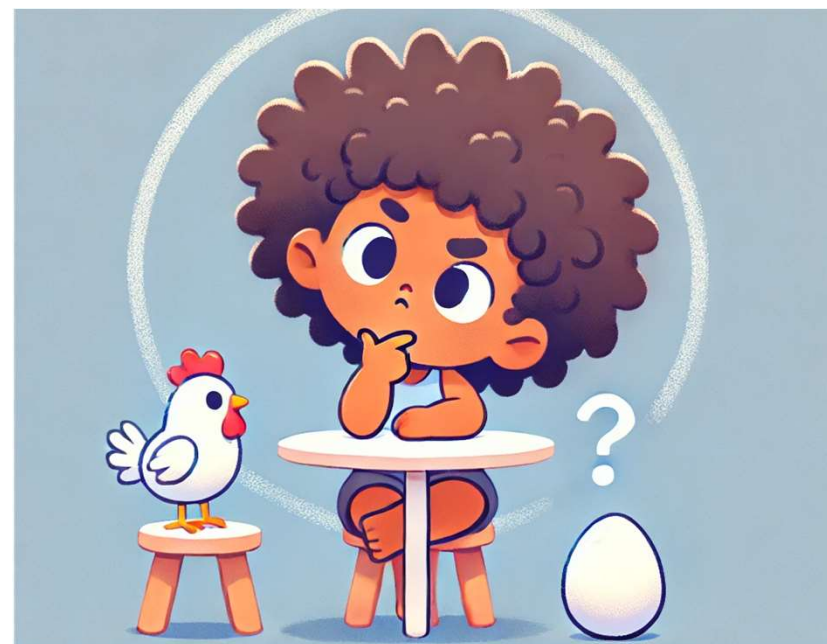
Which comes first: the chicken or the egg?

Does a nation's wealth precede and draw in skilled professionals—doctors, engineers, chemists, professors, carpenters, builders, mechanics, plumbers, digital marketers, graphic designers, Data Scientist, Pilots, and others?

Or is it the reverse, where by cultivating skilled professionals, a nation becomes wealthier because the skills of the population are the true source of its wealth?

Clearly a wealthy nation create and attract skills, so we must work on creating wealth.

Clearly skills is the number one key indicator to predict wealth creation, wealth of nation, so we must work on skills creation.

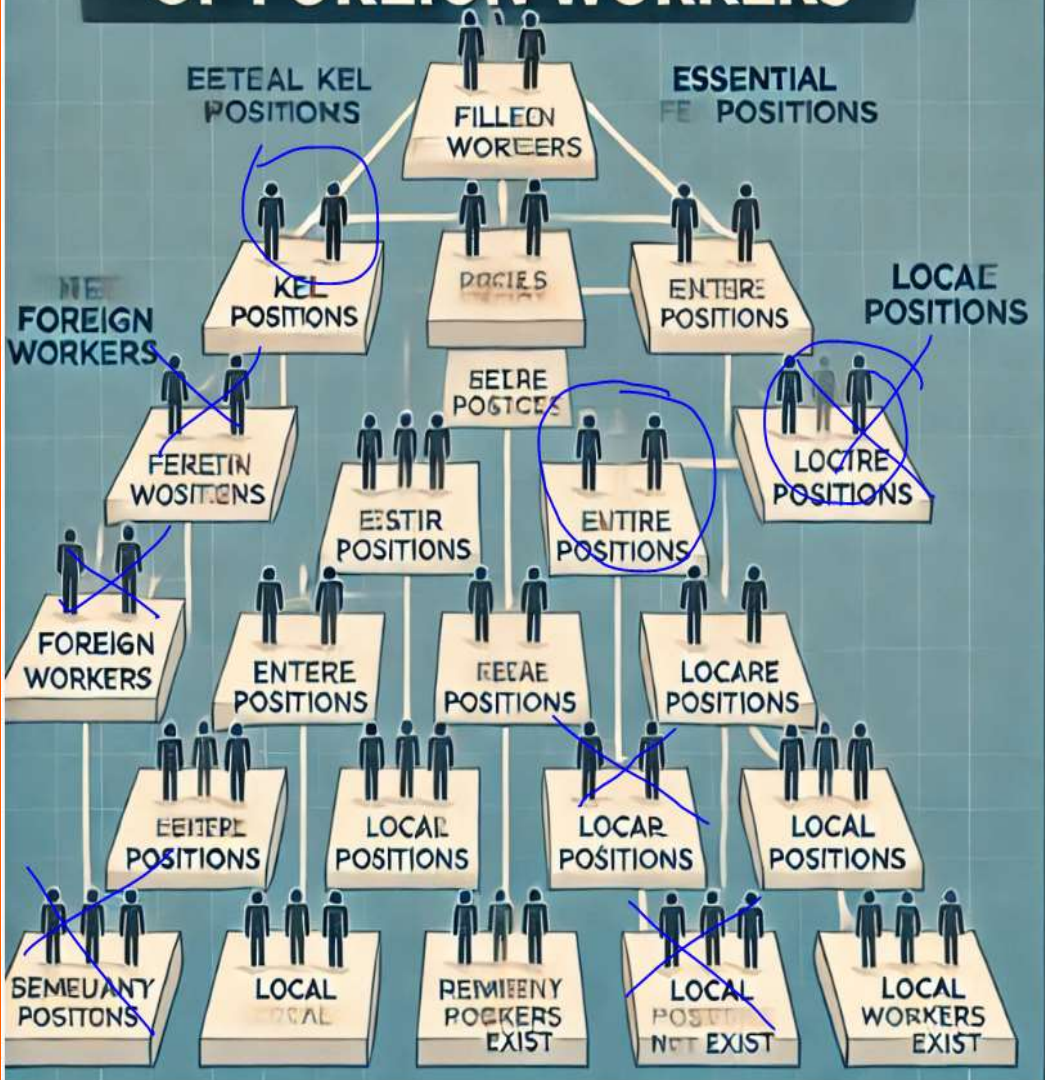


The Importance of Education

- Education should be the top priority, most of our collective resource should be invested in this objective.
- Education quality ? Education take time.
- Modern technology in Education ?
- Education is key to the development of skills and so key to nation wealth creation.



HOW THE CRITICAL ROLE OF FOREIGN WORKERS



Negative things that happen when skill gaps are not filled.

- Loss of jobs for people under and on the side
- Potentially loss of whole business or industry/sector as the minimum critical masse of skilled is not reached.
- Loss of wealth for the Nation, as the business cannot develop
- Job might be created overseas
- Wealth is created overseas

Why and when that happen?

- No skilled resource available on the market
- Lengthy and costly to get Work Permit
- Lengthy and costly to get Residency Visa
- No open doors policy to foreign skilled worker, mindset is simply wrong, it is a mindset as if we were protecting something

Vanuatu or Sydney ?





Importing Talent and Skills



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- Shortage of Skilled Workers in Vanuatu
- Role of Foreign Workers in Filling the Gap
- Complementing and Training Local Workforce
- Foreign Skilled worker are creating the jobs not taking anyone jobs. (example of FDL industry)



Foreign Direct Investment

- There is a clear scientific consensus that FDI participate significantly in a nation development and wealth creation.
- In the Knowledge Economy, FDI = import of skilled workers as Knowledge economy is people base, not equipment, not capital, it is Skills.

Recommendation



- **Boost Local Training:** Invest in upgrading local education and training to close skill gaps.
 - **Encourage FDI:** Simplify visa processes for business travelers, treating them like tourists to enhance foreign direct investment.
 - **Streamline Work Permits:** Make the work permit process for highly skilled foreign workers quick, easy, and ideally free.
- Introduce a Digital Nomad Visa:** Offer a visa specifically for foreign workers who wish to work remotely from Vanuatu for their overseas employers.



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Conclusion

- Knowledge Economy as a Path to True Independence
- Importance of Education and Investment
- Foreign Skilled workers are key to fill current skill gap and are also key for on-the-job training, they are helping Vanuatu creating wealth
- Vision for a Self-Reliant Vanuatu growing economy
- Open door Policy is what I believe Vanuatu should explore.