

INFRASTRUCTURE INVESTMENT

To bring the economy back to where it was before the pandemic, and create jobs and income for Cook Islanders, investing in key infrastructure building is going to play an important role.

Cook Islands GDP has seen a dramatic reduction as a result of the pandemic, with many businesses having had their incomes reduced to almost zero (aside from government support) throughout the last 15 months, meaning the outlook for private investment in the short-term is not positive. In order to both step in to replace the activity that would ordinarily result from private investment and to invest in projects which will improve our standard of living, the Cook Islands Government is pursuing an ambitious infrastructure investment approach.

This approach faces challenges such as capacity limitations on the amount of capital investment that can be undertaken. To expand this capacity, government will work with development partners to utilize expertise as well as access funding to enable this investment to occur. This investment will utilize previous work such as the National Infrastructure Investment Plan (NIIP) to identify appropriate projects, as well as provide the economic stimulus needed. Activity in this space will lead to employment opportunities in the Cook Islands, and engagement opportunities

for local businesses – even when specific skill sets are required from abroad. This increased investment expenditure is a key component of the economic recovery of the Cook Islands, and assists in preparing for future and present needs.

Estimates of the level of private investment in the Cook Islands are not readily available, however some analysis suggests that in the 2018-19 year, there was around \$35 million of private investment. With this investment likely to reduce severely in the short term, government investment is needed to fill this gap. Recent evidence suggests that the upper bound on annual government capital works is around \$40

million – meaning assistance and expertise from development partners is likely to be critical in maximizing the amount of investment possible.



Economic Development Strategy Actions related to this focus area:

No.	Action	Lead Agency	Details	Indicative timing
4.7	NZ Infrastructure fund	MFEM	Implement the Fund	Ongoing
5.9	MTVKTV investment decision	MFEM	Government to decide on whether to proceed to the construction phase	2021
5.10	Sanitation Masterplan	MFEM/PMU	Finalise the draft Masterplan	2021
5.11	Public sanitation	CIIC/CI/CITC	Improve public sanitation services	2022

