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Abbreviations

ADB	–	Asian Development Bank
AusAID	–	Australian Agency for International Development
BCI	–	Bank of the Cook Islands
cc	–	cubic centimeter
CIIC	–	Cook Islands Investment Corporation
CIPC	–	Cook Islands Property Corporation
CISO	–	Cook Islands Statistics Office
DIB	–	Development Investment Board
DMC	–	developing member country
DMF	–	decayed, missing, or filled teeth
FDI	–	foreign direct investment
GDP	–	gross domestic product
HDI	–	human development index
HIES	–	household income and expenditure survey
IMP	–	Infrastructure Master Plan
kWh	–	kilowatt hour
MFEM	–	Ministry of Finance and Economic Management
MIA	–	Ministry of Internal Affairs
MOE	–	Ministry of Education
MOH	–	Ministry of Health
MOW	–	Ministry of Works
NGO	–	nongovernment organization
NSDP	–	National Sustainable Development Plan
NZ	–	New Zealand
NZAID	–	New Zealand's International Aid and Development Agency
OPM	–	Office of the Prime Minister

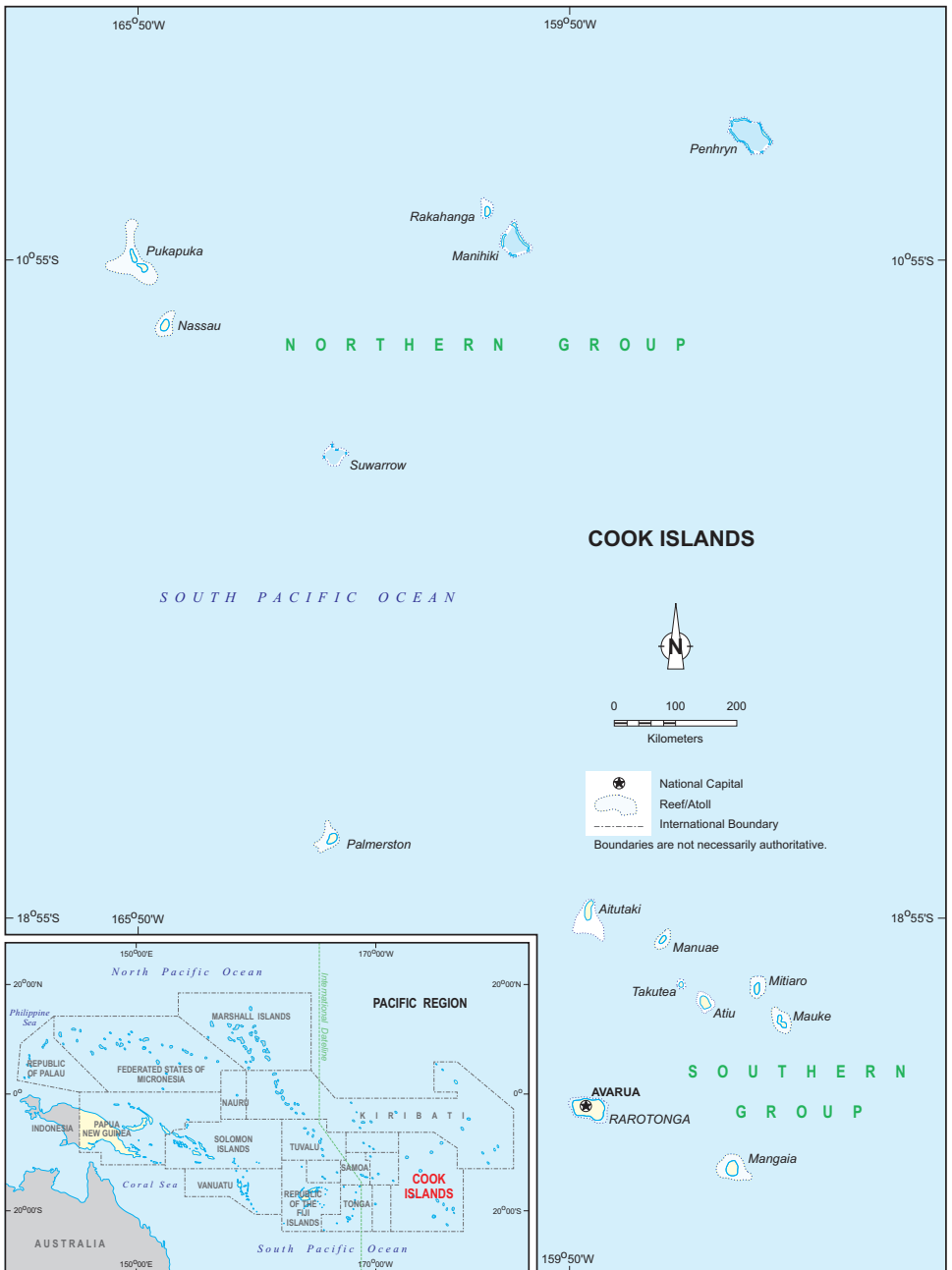
PERCA	–	Public Expenditure Review Committee and Audit (Act)
PIER	–	Pacific island economic report
POBOC	–	payments on behalf of the crown
PSC	–	Public Service Commission
TCI	–	Telecom Cook Islands
UNDP	–	United Nations Development Programme
US	–	United States
VAT	–	value-added tax

Glossary

kikau	a crop
kumara	a root crop
maire	an agricultural export commodity
makatea	coral
mamio	high-quality variety of swamp taro
matoi	a flowering tree
motu	islet
nono	a fruit tree
raui	traditional lagoon conservation method
rito	woven young, bleached coconut leaves
rukau viti	<i>Hibiscus esculentum</i>
tarua	a root crop

NOTE

The fiscal year (FY) of the Government and its agencies ends on 30 June. FY before a calendar year denotes the year in which the fiscal year ends, e.g., FY2001 begins on 1 July 2000 and ends on 30 June 2001.



Foreword

The Cook Islands has one of the best performing economies in the South Pacific. Current growth of 3.5% in 2007/2008 is forecast to continue up to 2010, on the back of tourism-related services and prudent macroeconomic management. While the economy has recovered from the 2005 cyclone damage, the disaster reminded the Cook Islands authorities and their development partners of the vulnerabilities affecting the Pacific. This led to a broad-based acknowledgement of the need for climate-proofing infrastructure, particularly in light of Cook Islands' reliance on tourism growth for revenues.

The Cook Islands exemplify the fragility of Pacific island economies. Issues relating to the ecology of the islands have climbed to the top of public consciousness. Environmental sustainability, employment creation, and basic service delivery all hinge on the reliability of infrastructure, particularly on the two main islands of Rarotonga and Aitutaki. Basic service delivery on the 13 other small volcanic islands and coral atolls spread across 1.8 million km² of ocean area also depends on the Government's capacity to generate revenues from the mainstream tourism business on Rarotonga and Aitutaki.

Guided by its first Sustainable National Development Plan 2007–2010, the Cook Islands has adopted a posture of fiscal prudence and sound planning to identify and meet development priorities. This enables implementation of pro-poor income generating opportunities by ensuring a sustainable basis for continued growth.

The *Pacific Island Economic Report* for the Cook Islands outlines the state of economy and social development in the country and presents a road map in addressing key development challenges. It identifies the principal binding development constraints and opportunities in public sector performance, private sector and social development, and governance.

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