



**KEY NOTE ADDRESS BY THE HONORABLE MINISTER FOR INDUSTRY,
TRADE AND TOURISM, MR. FAIYAZ SIDDIQ KOYA AT THE FIJI TRADE
AND INVESTMENT SYMPOSIUM 2016**

The Intercontinental Sydney

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Bula Vinaka and a very good morning to you all!

It is with the greatest pleasure that I welcome you all to the Fiji Trade and Investment Symposium. The theme for today's Symposium is "*Build Fiji into your Business Strategy*".

Ladies and gentlemen, let me tell you about the logic behind the theme. The theme is synonyms for smart investment in the ICT and Tourism sector in the region. When it comes to opportunities and incentives for investment in the ICT and Tourism sectors, Fiji is second to none in the region.

Ladies and gentlemen,

In order to facilitate trade and investment, the Fijian Government has provided and will continue to provide a stable and conducive business environment, supported by friendly investment policies that encourage growth and development.

Due to the stable and sustained policies and initiatives, we have managed to ensure continued positive growth of the Fijian economy. Over the past seven years, Fiji has experienced one of its longest periods of sustained growth and the growth rate in the past 4 years has been on average over 4 percent.

Ladies and Gentlemen,

Despite the negative impact of Tropical Cyclone Winston and flood in April, Fiji has been able to maintain a positive trajectory in the economic growth. The recently released figures, which has been endorsed by the Asia Development Bank, indicates that the Fijian economy will grow by 2.4 percent this year. This has been a remarkable achievement for Fiji, given the global growth trend is continually revised downwards.

On the investment front, both domestic private sector and foreign investors' confidence has increased markedly. In the past 3 years, total investment has been over the bench mark of 25 percent set by the Government. More importantly, 75 percent of total investments are by the private sector which is consistent with the Government's long-term growth strategy of diversification and sustainability.

This growth has been enabled by the stable and consistent, pro-business and pro-growth policies of the Fijian Government. The Fijian Government recognises that the private sector investment is key to sustainable economic growth. Therefore, the Government is committed to modernizing our infrastructure and providing a conducive environment that contributes to a competitive, robust and resilient private sector.

The Government will continue with its strategic investment in infrastructure development and upgrade in the next few years, be it the significant upgrade currently being undertaken at the airports, expansion of our seaports or introduction of cutting edge information and communication technology such as the recently launched digital Television.

Ladies and gentlemen,

Australia and Fiji have long-standing trade, investment and people-to-people links. Up to 50,000 Fijians live and work in Australia, most of them here in Sydney and over 300,000 Australians visit Fiji each year. Australia is Fiji's key trading and commercial partner in the region and is a key foreign investor in Fiji.

In terms of bilateral economic relations we have witnessed steady trade and investment flows over the last 5 years. Two-way merchandise trade between the countries in 2015 stood at about FJD956 million.

In terms of investment, in the period from 2009 to 2014, a total of 226 Australian projects worth FJD 1.1 billion were registered in Fiji, and in the same time a total of 99 Australian projects worth FJD 198.6 million were implemented.

Our Tourism Industry is currently the most significant among Fiji's international trade services sector. Earnings from our tourism industry were FJ\$1.56 billion, which exceeded Fiji's total domestic goods exports of FJ\$1.2 billion. In fact in 2015 alone, total contribution to Fiji's Gross Domestic Product stood at FJ\$2.94 billion.

We have been experiencing exceptional growth in visitor arrivals numbers over the past 5-years and even better results in tourism earnings. We achieved a record-high of 754,835 visitor arrivals in 2015 which was a 9% increase over the past year. Total visitor expenditure also increased by 11% in 2015 at FJ\$1.56 billion. Despite our vulnerability to natural disasters, our industry has been resilient and we expect similar results in arrivals and expenditure this year.

Australia and New Zealand are our primary source markets for tourism, making up 67% of our total arrivals, followed by other markets such as the US, UK/Europe, China, and India.

Ladies and gentlemen,

The Fiji's potential in the ICT sector was recognized by the Fijian Government long time ago. With the early recognition, the Government was able to put into place the right framework and policies to encourage sustained growth of the sector and attract large multinational ICT companies.

Today, Fiji has managed to secure its position in attracting some renowned ICT investors to locate their back office operations in the country, such as, ANZ Suva Hub, Centrecom, Packleader and Mindpearl to name a few, which have created over 3,000 direct jobs in the sector.

In 2014, Fiji won the European Outsourcing Association's Offshoring Destination of the Year Award acknowledging its successful service to the UK and other European outsourcing markets thanks to excellent service provided by Mindpearl.

The Government is aiming to increase these figures to more than 15,000 people once the international business park, being developed by Lyndhurst and the Government's Manufacturing and Services Zone, an initiative which was announced in the 2016-2017 National Budget, are fully operational in the next few years.

Fiji is well positioned to attract ICT investments, starting from the lower end and moving up the value chain. The current ICT business types in Fiji include:

- Call Centers;
- Mail Management;
- Data/Voucher Processing;
- Telehosting/Warehousing;
- Software Development;
- Audio Visual; and
- Disaster Recovery Management System.

The Fijian Government is currently developing an E-Commerce Bill to ensure that interest of suppliers & buyers engaged in transactions over the internet are adequately protected.

Ladies and gentlemen,

Allow me to give you a snapshot of what Fiji can offer your investment in the ICT sector. First of all, with 93% literacy rate, Fiji has good English-speaking workforce, secondly, with Fiji being the hub of the Pacific, Fiji is the easiest and most cost-effective place to do business in the Pacific, and thirdly, Fiji has a service oriented culture and pro-business/consumer policies & legislations being in place. Besides these, Fiji is located in a convenient time-zone and

has world-class IT infrastructure. With the recent launch of 4G+ network, Fiji is one of the premier countries in the region to introduce 4G+.

The manufacturing and services zone that is currently being built in the Western Division, will focus on the ICT and light manufacturing industries. Preparatory work for this zone is already underway. This project will build on the successes achieved by the international companies such as ANZ and Mindpearl based at the Kalabu Tax Free Zone and elsewhere in Fiji.

Ladies and gentlemen,

On Tourism front, the Fijian Government has set an ambitious target of creating a FJ\$2 billion industry by the end of 2020. My Ministry is on the final stages of completing a Tourism Plan that will set the guidelines for development in our tourism industry. Our vision is to encourage innovation, new investment and effective collaboration between the Fijian Government and the private sector (for both existing tourism operators and potential investors) that identifies viable business opportunities and turn them into real ventures within the legal and policy framework of Fiji.

We have streamlined our focus towards increasing yield from the tourism industry instead of volume and have established appropriate strategies to achieve this. We are working to position Fiji as the hub of tourism in the Pacific, that offers uniquely branded, differentiated and 'must-experience', value-for-money products to our domestic and international markets. Our key objectives are to grow direct visitor spend by FJ\$298 million, increase our total output by FJ\$507 million, increase direct tourism value-added by FJ\$79 million, create an additional 9,000 jobs and in turn increase tourism earnings by 7.11% per annum.

Marketing efforts through our current brand, “Fiji – Where Happiness Finds You” will continue to focus on the Australia market. Connectivity to our tourism source markets have never been better with our national airline, Fiji Airways, flying direct to most of our source markets and continuously increasing the number of flights. With the new direct route to Singapore we are now more accessible to our long-haul markets of UK/ Europe, India and the rest of Asia.

Our tourist arrivals are seasonal with peak season from June – October and low season from November – May which results in fluctuating levels of occupancy throughout the year. Whilst our occupancy rates have been steadily increasing over the past five years, our visitor arrival numbers have been growing at a faster rate (of 4.3% per annum). In addition, accommodation capacity has been growing at 1% per annum, hence there is potential to develop more properties in Fiji, specifically within areas zoned as Tax Free regions such as the Suncoast region in Viti Levu, our second largest island - Vanua Levu, and other smaller islands around the country.

To ensure a steady supply of visitors to Fiji during our off-peak seasons, the Fijian Government has invested intensely towards specific niche markets such as Sports and MICE tourism. The Fiji International golf tournament, for example, is a major initiative that was taken on by the Fijian Government in partnership with the PGA of Australia to position Fiji as a golf and sports tourism destination. There are opportunities to invest in an anchor attraction in our main tourism centre, Nadi; high-end retail experiences with international brands; a theme park and many other activities to support these niche target markets and increase tourism spend.

Fiji offers a vast range of activities and attractions, but many of these are not being utilized to its full potential. The Fijian Government has prioritized the development of our natural sites to encourage use of these sites for tourism purpose and invest in activities that will enhance the visitor experience and maximize yield from our tourism markets.

Ladies and gentlemen,

Fiji also has the best tax exemption incentives in the region, with lowest corporate taxes, streamlined income tax, and the ability to get a maximum of 20 years tax free status (depending on investment amount) in selected regions.

These are some of the many reasons why you are at the right place today. Fiji is open for business and we stand ready to provide assistance to enable you to venture successfully in your business aspirations in Fiji.

Ladies and gentlemen,

The bottom line is that Fiji and Australia are natural trading partners and we can work together to reach the full potential of our relationship. We are looking forward to ever closer engagement, particularly engagement driven by growing investment and trade between our two countries.

Over course of the day, you will be provided in-depth information on investment opportunities and incentives in the ICT and Tourism sectors and will also hear from some of the companies mentioned earlier on their experiences in Fiji.

We value the cooperation and support of our private sector investors to grow our economy and we are confident that the policies we have in place will ensure long-term growth for your business in Fiji.

With these few words, I look forward to constructive discussions, and I encourage you all to actively participate throughout the day.

Vinaka Vakalevu, thank you.