

U.S. Country Commercial Guides



2017

Fiji

U.S. Department of Commerce

International Trade Administration

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Doing Business in Fiji

Market Overview

Major Trends and Outlook

- Significant post-cyclone Winston reconstruction, strong retail sales and tourism activity are expected to contribute to 3.8 percent growth in 2017, following two percent growth in 2016. Major imports include machinery and transport equipment, mineral fuels, food, and manufactured goods. Major exports include sugar, fish, gold, mineral water, and garments. Foreign reserves totaled US\$902 million (F\$1.9 billion) in December 2016.
- U.S. exports to Fiji fell by 3.3 percent in 2016. According to U.S. Department of Commerce statistics, U.S. exports to Fiji amounted to US\$55 million in 2016, compared to US\$56.9 million in 2015. U.S. imports from Fiji increased to US\$203.3 million in 2016, compared to US\$202.6 million in 2015. The main products imported to the United States from Fiji include mineral water, tuna and sugar. U.S. exports to Fiji were mainly transport equipment, food manufactures, machinery, chemicals and computer/electronic components.

Principal Growth Sectors

- The tourism sector remains Fiji's principal economic driver and major source of foreign exchange. The industry contributes an estimated 37 percent of GDP. Visitor arrivals totaled 792,320 in 2016, a five percent increase compared to 2015.
- Despite a fall of 1.9 percent in visitor arrivals from Australia, Fiji's largest source market, visitor arrivals from New Zealand, China, South Korea, India and the United States grew in 2016. In 2017, Fiji's national tourism promotion agency signed a memorandum of understanding with the Chinese online booking platform Fliggy, the travel arm of Alibaba, which is expected to further increase tourist arrivals and earnings from the country.

Government Role in the Economy

- In 2016–2017, the government's projected net fiscal deficit is US\$219.7 million (F\$468 million). The fiscal deficit rose to 4.7 percent of GDP, compared to 1.6 percent in 2015–2016 due to reconstruction efforts following cyclone Winston in 2016. The revenue forecast for 2016–2017 is US\$1.49billion (F\$3.175 billion), with expenditure estimated at US\$1.71billion (F\$3.643 billion).
- Fiji's government controls essential public utilities (water and sewerage), power generation and supply, and port management. The government has invested heavily in upgrading road infrastructure and bridges.

Infrastructure support is fairly reliable in the urban centers, but less developed in rural Fiji. There are numerous air and sea connections to the United States, Asia, and the Pacific Region, as well as local air and sea transport to all major centers on the larger islands in the country. Given Fiji's heavy reliance on diesel fuel, the Fiji authorities continue to explore private sector partnerships to develop renewable energy alternatives, such as hydro, solar, and wind power.

• Domestic and international telecommunication links are relatively reliable. Other service infrastructure, such as insurance, banking, accounting, local transport, investment finance, and real estate, are available in urban centers.

Market Challenges

Some of the common market challenges experienced in doing business in Fiji include:

- Interpretation of tax regulations;
- Government limitations in capital borrowing by non-residents;
- Slow, lengthy, inconsistent, and often inefficient processing of government approvals;
- Poor infrastructure in rural areas;
- Relatively high costs of utilities, especially power and communication, and taxes;
- Small population base; and
- Geographic isolation and time differences between the United States and Fiji.

Market Opportunities

Hospitality industry supplies and services, consumer goods, agricultural and food processing machinery, data processing and telecommunication equipment, power generation, transmission and distribution equipment, medical services.

Market Entry Strategy

- To successfully enter the Fiji market, it is essential that U.S. firms have local market expertise. U.S. firms often work with an appropriate business partner in the local market to provide on-going support to ensure an amicable long-term relationship.
- The majority of Fiji's business community is of Indo-Fijian ethnicity; however, the number of indigenous Fijian businesspersons is growing. While English is widely spoken in Fiji, the cultural differences between the United States and Fiji should not be overlooked.
- As Australia and New Zealand companies dominate the local business scene and have a long standing relationship with local companies, U.S.

companies need to be prepared to match strong competition from Australia and New Zealand.

• It is highly recommended that due diligence be undertaken prior to entering any contract or making any long-term commitment.

Political and Economic Environment

Political Environment

See the <u>State Department's website</u> for background on the country's political environment.

Selling U.S. Products & Services

Using an Agent to Sell U.S. Products and Services

Some local companies are interested in establishing agent or distributor arrangements with foreign companies.

The General Contract Law governs agreements between foreign suppliers and local agents and distributors. It establishes a buyer-seller relationship under a sale of goods contract between the two parties. It is the responsibility of the local agent or distributor to apply for the necessary licenses and import permits.

New market entrants should seek an established agent/distributor with good local contacts, market expertise, and technical know-how. U.S. exporters must often provide training, marketing, and technical support. Frequent contact with local representatives is critical, especially at the outset, in order to build a good working relationship based on shared values and objectives, and to ensure there are no misunderstandings or communication problems.

The Economic/Commercial Section at the U.S. Embassy in Suva can provide valuable assistance in locating potential representatives and acquiring preliminary market data. The staff can also help companies identify agents and distributors.

Establishing an Office

The primary forms of business organizations in Fiji are companies, including branch offices; joint ventures; partnerships; and trading trusts. U.S. firms may elect either to incorporate a subsidiary or establish a branch office by registering as a foreign company. The Companies Law effective from January 2016 created new reporting requirements for companies. U.S. firms may wish to enter into joint-venture arrangements with one or more parties on an unincorporated or incorporated basis.

Contact Information

Investment Fiji, Chief Executive P.O. Box 2303, Government Buildings Suva Phone: (679) 3315–988 Fax: (679) 3301–783 Email: info@investmentfiji.org.fj

Franchising

There are no restrictions placed by the Fiji government on franchising arrangements. U.S. firms operating in Fiji under franchise agreements include Independent Grocers Alliance (IGA), Gloria Jean's Coffee, Fat Burger, and McDonalds. The small market size imposes some limitations in Fiji, but many companies use Fiji as an export base to other Pacific Island countries. There are also U.S. branded/franchised hotels including Marriott, Doubletree, Hilton,

Radisson Blu, Westin, Sheraton, Auberge and Holiday Inn. U.S. branded car rental companies including Avis, Budget, Dollar, and Hertz operate in Fiji.

Direct Marketing

Direct marketing is used widely in the sale of cosmetics, health products, cleaning and household consumer goods, electrical appliances, and in service businesses. Major U.S. brands in Fiji include General Mills, Coca-Cola, Colgate-Palmolive, Johnson and Johnson, and Procter and Gamble.

Joint Ventures/Licensing

Joint ventures and licensing agreements are important market entry strategies for U.S. exporters. Joint-venture partnerships offering technology transfer, specialized expertise, and training opportunities are effective mechanisms to reduce costs.

Some Fiji firms are actively seeking U.S. joint-venture partners who can provide much needed capital, as well as technical, marketing, and management skills, to a business relationship. Fiji firms, generally, offer assets, local vendor and government contacts, and established business relationships throughout the Pacific region.

The Economic/Commercial Section at the U.S. Embassy in Suva can provide assistance in locating potential joint-venture partners for U.S. companies.

Selling to the Government

Fiji is not a party to the WTO Government Procurement Agreement. Requests for proposals and tenders are often offered in newspapers and government publications. Many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to "*Project Financing*" Section in "*Trade and Project Financing*" for more information.

Distribution & Sales Channels

Two major channels of distribution are available to U.S. exporters. The first is via large, well-established trading companies with strong financial resources and sales volumes, as well as an extensive presence in many industrial sectors. In many cases, these large traders form marketing or production joint ventures with foreign firms when demand volumes are sufficient to justify local investment. In highly specialized markets, these companies rely on agents who have appropriate contacts or expertise. The second available channel is through small importers. These importers generally specialize in one line of business where they have proven networks and market know-how.

It is advisable for U.S. companies to perform careful due diligence to assure that a potential agent or distributor is financially healthy and able to fulfill obligations.

Express Delivery

A number of internationally-recognized express delivery and courier services are available and have agents in Fiji, including FedEx, UPS, DHL, and TNT. The estimated time of delivery between large U.S. cities and Fiji is three to four working days for small packages. Under Fiji Customs regulations, a commercial invoice is a requirement for all commercial imports and exports.

Selling Factors and Techniques

To differentiate themselves from local and third-country competitors, U.S. firms should emphasize their strengths in quality, innovation, technology, and customer service.

Fijians have come to expect more and better styles and designs, regular product upgrades, and updated technology from U.S. companies and will often choose U.S. products and services on the basis of "value for money," not just on the basis of cost.

Training is an effective means to make potential customers aware of the quality of products and services.

eCommerce Overview

Internet usage rose to 419,958 users in June 2016 from 7,500 users in 2000, with a 45.9 percent internet population penetration rate. The development of the country's ITC infrastructure has increased access to the Internet and lowered costs, although electronic commerce still has a limited market reach.

Notable developments in the consumer to business market segment include the growing popularity of electronic commerce for bill payments through the commercial banks and mobile phone money transfers.

Current Market Trends

Fiji has a large "unbanked" population and access to financial products and services is low. In 2015, the ability of households and firms to use financial products and services was estimated at 21.78 per 10,000 adults, with more than half of rural adults and one-quarter of urban adults without bank accounts. The Fiji government is committed to accelerating the transition from cash to digital payments in order to reduce poverty and drive inclusive growth. In 2011, with the support of the Pacific Financial Inclusion Program, the Fiji Government-to-Person (G2P) electronic welfare payment initiative (which switched from voucher-based payments to electronic transfers to a bank account) was the first in the region and benefited about 33,000 recipients. Other major institutions such as the country's superannuation fund, the Fiji National Provident Fund, and

the iTaukei Lands Trust Board, which distributes land lease payments, are also making payments through banking and electronic channels.

In February, the Fiji government passed in parliament the Interchange Network (Payments) Act. The law provides for the regulation of payment systems and services through the Fiji interchange network. The Act also establishes the Fiji Interchange Network Authority which will have oversight, supervisory and regulatory powers over the interchange, its members and its activities. According to the law, the State owns the network. The network is yet to be implemented.

Mobile eCommerce

Mobile cellular subscription in 2015 rose to 108.2 per 100 people from 98.8 in 2014. The mobile service provider Vodafone's M-PAISA program allows the transmission and receipt of money using the mobile phone network. The M-PAISA program has over 194 agents (non-bank retail outlets) across the country and partners with 27 registered businesses.

Social Media

There are about 380,000 Facebook users in Fiji, a 41.5 percent penetration rate. Many informal and micro-home based businesses use social media as a tool to promote their services and products.

Trade Promotion and Advertising

The majority of Fijians receive information from radio and television. Advertising and trade promotions are important marketing tools in Fiji. In particular, foodstuff and consumer products should be promoted heavily via a full range of mass media.

There are three commercial free to air stations (Fiji TV, Mai TV, and FBC TV) and one pay provider (Sky Pacific) on which companies can promote and advertise their products and services. The two main radio broadcasters, Communications Fiji and Fiji Broadcasting Corporation, operate a total of eleven radio stations broadcasting in English and Fiji's other two main vernacular languages, the indigenous iTaukei language and Hindi.

There are two major English-language newspapers, "The Fiji Times," and "The Fiji Sun," which largely cater to an urban readership. The newspapers "Nai Lalakai" and "Volasiga" can be used for marketing to the iTaukei sector of the population, and the Indian-language newspaper "Shanti Dut" for Indo-Fijians.

Companies in Fiji also use three business monthly magazines, "Pacific Business," "Islands Business," and "Business Melanesia" for advertising. There are a few lifestyle magazines including Marama, Turaga, and Mai Life, which also accept paid advertisements. Special promotional campaigns are frequently conducted at local shopping centers. Movie theaters and television are also means of reaching the public.

There are two major trade shows held annually where products can be promoted: "Showcase," a consumer fair held in Suva that is organized by Communication Fiji's Total Event Company, and the hospitality industry show "HOTEC" targeting hotels and resorts which is organized by the Fiji Hotel and Tourism Association.

Contact Information

Fiji Times - Email: timesnews@fijitimes.com.fj

Fiji Sun - Email: fijisun@fijisun.com.fj

Fiji TV - Email: csr@fijitv.com.fj

Communications Fiji Ltd - Email: news@fm96.com.fj

Fiji Broadcasting Corporation Ltd- Email: infocenter@fbc.com.fj

Mai TV Fiji Ltd- Email: feedback@tv.com.fj

Pricing

The Fiji Commerce Commission monitors competition in the market and controls the prices of basic goods, which include food items, fuel, and hardware products. Prices of products not monitored by the Commerce Commission are determined by the market.

The Value-Added tax (VAT) is nine percent. VAT is applicable on all imports and previously zero-rated supplies, including selected basic food items, prescribed medications, kerosene and imported fish supplied to fish processors. Businesses registered under the VAT legislation can claim an input tax credit in relation to VAT paid on their imports.

Contact Information

Commerce Commission

P.O. Box 5031 Raiwaqa

Phone: (679) 3372-178

Fax: (679) 3372-389

Email: helpdesk@commcomm.gov.fj

Sales Service/Customer Support

All businesses operating in Fiji need to provide warranty service, maintenance contracts for parts and supplies, and return policies.

Protecting Intellectual Property

Copyright laws adhere to international laws, and while there are provisions for companies to register a trademark or petition for a patent in Fiji through the Office of the Attorney General, trademark and patent laws are outdated. Furthermore, the enforcement of these laws could be more robust.

In any foreign market companies should consider several general principles for effective management of their intellectual property. For background on these principles please link to our article on <u>Protecting Intellectual Property</u> and also <u>Corruption</u>.

Due Diligence

Businesses and investors can hire professional accountancy companies to do due diligence and check bona fides of any company with which they plan to work. There are a number of reputable accountancy firms which provide this service. Other resources include business organizations such as the Fiji Chamber of Commerce and Industry, the Fiji-U.S. Business Council (American Chamber of Commerce), and Investment Fiji.

The only credit bureau service, the Data Bureau, closed in May 2016 due to the newly-introduced Fair Reporting of Credit Act.

Contact Information

Mr. Nesbitt Hazelman

Chief Executive Officer

Fiji Commerce and Employers Federation

Gorrie St., Suva

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Fax: (679) 3302183

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Fiji–U.S. Business Council

Maxumise Fiji Ltd, Level 4, FNPF Place, 343 Victoria Parade

P. O. Box 12499, Suva,

Phone: (679) 3305510

Email: secretariat@fijiamcham.com

Fiji Retailers Association

P.O. Box 598, Suva

Phone: (679) 330-3366

Fax: (679); 330-2434

Email: fijilords@gmail.com

Local Professional Services

The services of a local attorney are required for executing agreements and setting up offices in Fiji. Normally paperwork can be completed quickly and easily. Law firms also advise on the various types of business organizations that can be established, assist in registering firms, and in obtaining permits. Lawyers are needed for registering patents and trademarks and for taking other legal measures to protect products from intellectual property right infringements. Most commercial and civil law is based on the British system. A list of practicing Fijian accountants can be found on the Fiji Institute of Accountants website.

Principle Business Associations

The Fiji Commerce and Employers Federation (FCEF) is the premier private sector organization in Fiji. Any organization that is registered as an employer with the country's pension fund, the Fiji National Provident Fund (FNPF), is eligible to be a member. The FCEF is the private sector representative in the tripartite arrangement with government and the trade unions to manage labor relations in Fiji.

Limitations on Selling U.S. Products and Services

A number of investment activities are reserved for Fiji nationals or subject to restrictions. There are 17 reserved activities and five restricted activities. Full listings of reserved and restricted areas can be found on <u>Investment Fiji's</u> <u>website</u>.

Web Resources

Fiji/U.S. Business Council (Amcham affiliate) Fiji Institute of Accountants Fiji Times Fiji Sun Fiji Broadcasting Corporation Ltd

Leading Sectors for U.S. Exports & Investments Agricultural Sector Overview

The agriculture sector contributes around seven percent of GDP. Sugar remains a significant industry, employing an estimated 200,000. While sugar exports account for 18 percent of Fiji's domestic exports, non-sugar exports account for approximately 3.8 percent. Major non-sugar agricultural exports include fruit (pawpaw) and vegetables including root crops. While most fruit and vegetables are sold fresh, there are a few establishments engaged in processing local fruits and vegetables, mainly for the domestic market, and in producing fruit juice concentrates (pineapple, orange, guava, mango, passion fruit, and other citrus fruit juices). A small volume of certified organic products, including coconut and fruit products and nutraceuticals, is exported.

The government's "Fiji 2020 Agriculture Sector Policy Agenda" aims to drive transformation of the sector to commercial scale agriculture. To encourage investment in agriculture and agro-processing, the government's tax incentives include a tax exemption for any new businesses established before December 31, The length of the tax holiday is dependent on the level of capital 2018. investment. For investments of approximately USD\$0.9 million (F\$2 million) or more, companies are eligible for a 13 year tax holiday. Small and microenterprises with a maximum turnover threshold of approximately USD \$235,000 (F\$500,000) in selected sectors are also tax exempted. The importation of all commercial agriculture agricultural items for and agro-processing establishments is subject to zero duty. The government subsidizes the cost of fertilizer, feed, and chemicals through a fertilizer subsidy for non-sugar farmers, including ginger farmers, and farmers in the dairy and livestock sector.

Leading Sub-Sectors

Potential commodities in the agro-processing sector for value-added and nichemarket processing include fresh fruits such as papaya, tomatoes, pineapple, coconut, duruka (Saccharum edule), guava, and mango; vegetables; and herbal kava products. Potential also exists for snack food processing of readilyavailable taro, tapioca, breadfruit, and banana. As fruits and vegetables are seasonal crops, processing facilities will need to have flexibility to allow the processing of multiple items to utilize the same plant throughout the year.

Investment, equipment, and supplies needed to expand and support these industries are in demand. The sector also faces a number of challenges including natural disasters, inadequate infrastructure, and high transportation and input costs.

Web Resources

<u>Investment Fiji</u>

Ministry of Primary Industries

Energy Overview

The country's energy needs are met from a variety of sources, including hydro and diesel generation, wood, coal, and petroleum products. The state-owned Fiji Electricity Authority (FEA) is currently the main generator and sole distributor of grid-based power to an estimated ninety percent of the population on the main islands of Viti Levu, Vanua Levu, and Ovalau. In 2016, total electricity produced by the Fiji Electricity Authority increased by 3.5 percent to 923,580 megawatthours (MWh). Power generation from renewable energy sources, mainly hydro, accounted for 54 percent of energy production, an annual increase of 21.1 percent. Independent Power Producers (IPPs), namely Tropik Wood Industries Limited (TWIL) and Fiji Sugar Corporation (FSC), produce an estimated two percent of electricity annually. FEA's installed generation capacity is approximately 237MW. This includes the Monasavu Hydro Scheme and the Nadarivatu Hydro Scheme, which have a capacity of 80MW and 40MW respectively and about 112MW of diesel capacity in 14 stations on the three main islands. On Viti Levu, the diesel capacity of 92MW supplements the Monasavu hydro scheme for the Viti Levu Interconnected System (VLIS). At present, diesel generation and hydro generation is at a 46:54 ratio.

Fuel oil imports in 2016 were estimated to total US\$346 million (F\$737 million), accounting for 16 percent of Fiji's total national import bill. The transport sector is the main consumer of refined fuel oils, mostly gasoline, oil (diesel), and aviation turbine fuel.

Fiji continues to seek alternative energy sources to supplement its heavy dependence on imported energy with the goal of being fully reliant on renewable energy by 2030. The government's reform of the electricity sector includes the restructure of the FEA, the establishment of an industry regulator, and the licensing of third parties to generate, transmit and supply electricity.

Year	2015 (estimate)	2016 (forecast)	2017 (forecast)	2018 (forecast)
Imports of Fuel Oils \$Millions	\$429.5 (F\$914.7)	\$353.5 (F\$753)	\$414 (F\$881.7)	\$451.2 (F\$961)

Leading Sub-Sectors

Given Fiji's heavy reliance on diesel fuel for electricity generation, the country is exploring viable alternative energy sources available locally such as hydro, solar, wind, and wave energy generation, and hybrids. The use of renewable energy sources is strongly encouraged by government. Government is actively seeking partners in the energy sector as Fiji explores ways to increase its generation, transmission, and distribution infrastructure, both to its urban centers and to rural users.

To electrify isolated villages in rural areas, independent stations are planned. Potential suppliers must work with Fiji government authorities on these projects.

The presence of small, isolated population centers on Fiji's smaller islands presents a potentially good market for tailored diesel-powered generation solutions. For rural communities, the government will facilitate the sustainable production and management of solar power and non-grid electrification systems, such as the further development of solar home systems (SHS), solar power water supply systems, solar systems for schools and clinics, and solar water heating systems for homes and institutions.

Web Resources

Fiji Department of Energy

Fiji Electricity Authority

Pacific Power Association

Secretariat of the Pacific Community

Travel and Tourism Overview

Tourism remains Fiji's fastest growing industry and is the largest foreign exchange earner. Industry earnings in 2016 are expected to exceed the combined revenues of the country's top five merchandise exports (fish, water, sugar, garments, and timber). The industry provides direct employment to an estimated 40,000 people and to 116,500 indirectly. Gross earnings from tourism in 2016 were estimated at \$798 million (F\$1.7 billion).

Visitor arrivals in 2016 totaled 792,320, with increasing visitor arrivals from New Zealand, China, South Korea, India, and the United States.

Fiji is prone to natural disasters. A number of tourism properties located primarily in the northern region of Fiji closed temporarily following damage caused by tropical cyclone Winston in February 2016, though most have since reopened.

Table 2: Fiji Tourism Data

	2015	2016	2017	2018
			(Estimated)	(forecast)
Total Visitor Arrivals	754,835	792,320	824,715	898,782
Average length of	9.5	9.5	9.5	9.5
stay (days)				
Tourism Earnings	\$732.5	\$752.6	\$830.7	\$872
(\$M)	(F\$1560.2)	(F\$1602.9)	(F\$1769.3)	(F\$1857.7)
Exchange Rates	USD1 = FJD2.1299			

(Total market size = (total local production + imports) - exports)

Leading Sub-Sectors

The hotel and hospitality industry requires a large variety of products, such as the following:

- Food dairy products, fruit, vegetables, beverages, condiments;
- Building materials;
- Furnishings (drapes, carpet, linens);
- Kitchen equipment;
- Furniture and appliances;
- Sporting equipment;
- Toiletries; and
- Wireless technology and IT related to hotel and guest services.

Web Resources

Fiji Islands Hotel & Tourism Association

Ministry of Industry, Trade and Tourism South Pacific Tourism Organization Tourism Fiji

Customs, Regulations, & Standards

Trade Barriers

Exporters to Fiji do not require import licenses for most non-agricultural goods. Most imports are subject to duty. Drawback of duty can be claimed for reexported goods. Quarantine policies for agricultural products present a trade barrier.

Contact Information

Permanent Secretary

Ministry of Industry, Trade and Tourism

P.O. Box 2118

Government Buildings, Suva

Phone:(679) 3305-411

Fax: (679) 3302-617

General Manager Customs, Fiji Revenue and Customs Authority

GPO Box 175, Suva

Phone: (679) 324-366

Fax: (679) 3305-138

Import Tariffs

Tariff rates for goods range from zero to 32 percent. Tariffs rates are, broadly, as follows:

Table 3: Fiji Tariff Rates

Tariff Rate (%)	Goods Included
0	Raw materials and pharmaceutical
0	products
5	Production items and capital goods
15	Intermediate goods (including most
15	luxury items)
22	Specific finished goods and protected
32	items

A nine percent Value Added Tax (VAT) is applicable on all imports. Businesses registered under the VAT legislation can claim an input tax credit in relation to VAT paid on their imports, although the process is lengthy.

While Fiji's VAT is generally similar to that found in the EU and New Zealand, there are some differences. It is a single-rate tax. VAT is imposed on imports of all categories of professional services. The importer of such services is required to pay VAT to the Fiji Revenue and Customs Authority.

Import Requirements and Documentation

The Biosecurity Authority of Fiji must license certain types of agricultural imports, such as rice, dairy, poultry, and meat. The Ministry of Finance issues import licenses for gold and other precious metals. Import licenses for products such as lubricants, transformer and circuit breaker oils, cleansing oils, and hydraulic brake oils are issued by the Ministry of Industry.

U.S. Export Controls

Trade.gov contains a <u>page that consolidates eleven export screening lists</u> of the Departments of Commerce, State, and the Treasury into a single search as an aid to industry in conducting electronic screens of potential parties to regulated transactions.

Temporary Entry

There are arrangements for the temporary import of goods for alteration or repair; of goods for public exhibition, trial or entertainment; of specialized goods and equipment not normally available in Fiji to be used solely in connection with a particular project; and of goods for use by temporary residents. The Fiji Revenue and Customs Authority or a local customs agent must be contacted prior to the arrival of such goods.

Labeling/Marking Requirements

For packaged goods, quality certification and weight must be on the label. Labels must also specify the company that produced the goods. Food items also need to adhere to the Ministry of Health's food safety regulations. The Ministry's marketing controls for foods for infants and young children also include labelling requirements.

Contact Information

Department of National Trade Measurement and Standards

Ministry of Industry, Trade and Tourism

P.O. Box 2118

Government Buildings, Suva

Phone: (679)-330-5411

Fax: (679)-330-2617

Ministry of Health – Food Unit

P.O. Box 2223

Government Buildings, Suva

Phone: (679)-330-6177

Fax: (679)-322-1434

Prohibited & Restricted Imports

Prohibited imports include weapons, illegal drugs, and pornography.

Contact Information

<u>Director Border</u> Fiji Revenue and Customs Authority GPO Box 175, Suva Phone: (679)-324-3666 Fax: (679)-330-5138

Customs Regulations

All imports into Fiji are subject to classification by the Fiji Revenue and Customs Authority, and rates of duty vary with the type of goods. Imports are subject to import duty (customs tariff, excise duties and VAT), which is levied in accordance with rates outlined in the schedule of customs tariffs. VAT is fixed at nine percent. Duty at a higher rate is generally levied on automobiles, ready-made garments, tobacco, liquor, beer, and wines.

Contact Information

For customs requirements

General Manager Customs

Fiji Revenue and Customs Authority

P.O. Box 175 Suva

Phone: (679)-324-3666

Fax: (679)-330-5138

For standards and quality control

Department of National Trade Measurement and Standards

Ministry of Industry, Trade and Tourism

P.O. Box 2118

Government Buildings, Suva

Phone: (679)-330-5411

Fax: (679)-330-2617

For Quarantine Requirements

Chief Executive - Biosecurity Authority of Fiji

GPO Box 183601, Suva

Phone: (679)-332-512

Fax: (679)-338-5048

Email: info@baf.com.fj

For General Questions on Trade Regulations, Customs, and Standards

Chief Executive, Investment Fiji,

P.O. Box 2303, Government Buildings, Suva

Phone: (679)-331-5988

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Standards for Trade Overview

In 1992, the Fiji Trade Standards and Quality Control Office (FTSQCO) was established by the Trade Standards and Quality Control Decree 1992 to ensure that Fiji's products and services standards are aligned to international standards. The FTSQCO is commonly known as the Department of National Trade Measurement and Standards.

The Trade Standards Advisory Council (TSAC) was formed in conjunction with FTSQCO. The role of the TSAC is to consider and recommend to the Minister for Industry and Trade the declaration of Fiji standards specifications, including for processes, practices, quality, composition, labeling, and codes of practices.

Standards

There are 12 mandatory standards (technical regulations) and 75 voluntary standards in place, covering areas such as building and building material, telecommunication cabling, occupational health and safety, and electrical

installation. However, the majority of the standards were adopted from and are based on Standards Australia standards.

Testing, Inspection, and Certification

At present there are no conformity assessment bodies.

The National Trade Measurement Laboratory is the only national metrology laboratory. However, manufacturers needing products tested send them to accredited laboratories in Australia or New Zealand, or to the University of the South Pacific's Institute of Applied Science (USP/IAS) laboratory, which is ISO 17025 certified.

Products carrying the "Fijian Made" brand are required to obtain a license from the Ministry of Industry, Trade and Tourism, and to comply with local product content as per the Industry Emblem Decree and Regulations 2011. The brand categories, aimed at promoting and raising the profile of Fijian made products locally and internationally, include Fijian Made, Fijian Product, Fijian Packed, Fijian Crafted, Fijian Grown, Fijian Assembled, Fijian Designed, and Fijian Sewn. By 2016, a total of 321 companies, 176 artisans and over 1500 products were certified to carry the Fijian Made logo.

Water bottled in Fiji must be accredited. The Bottled Water Standard requires that facilities bottling water in Fiji provide test results from approved laboratories for accreditation.

Publication of Technical Regulations

All technical regulations are published in the Fiji Islands Gazette. <u>The Ministry of</u> <u>Industry, Trade and Tourism</u> has signed a Memorandum of Understanding with Standards Australia International.

Contact Information

Department of National Trade Measurement and Standards

Ministry of Industry, Trade and Tourism

P.O. Box 2118

Government Buildings, Suva

Phone: (679) 3305-411

Fax: (679) 3310-810

Trade Agreements

Fiji manufacturers enjoy preferential access under a number of multilateral and regional trade agreements. The country is also pursuing further bilateral trade

agreements where diplomatic missions have opened in Brazil, Korea, United Arab Emirates, Indonesia, and Ethiopia.

The Developing Country Preferences Scheme grants preferential access for Pacific island exports into Australia. The Melanesian Spearhead Group (MSG) grants market access to MSG member countries including Papua New Guinea, Solomon Islands and Vanuatu. Fiji is a party to the Pacific Island Countries Trade Agreement (PICTA). Fiji ratified the Economic Partnership Agreement (EPA) with the E.U. on trade in goods in 2014, and negotiations continue for a Comprehensive EPA to secure preferential access to the E.U. market for some Fiji exports (with a notable exception being sugar).

Licensing Requirements for Professional Services

To practice in Fiji, lawyers are required to obtain practicing certificates from the Chief Registrar in the Judicial Department. Accountants are also required to obtain membership with the Fiji Institute of Accountants (FIA). The FIA recognizes 18 overseas accounting institutes, including the American Institute of Certified Public Accountants, and may consider membership in the FIA.

Web Resources

Fiji Government

<u>Fiji Institute of Accountants</u>

Fiji Revenue & Customs Authority

<u>Investment Fiji</u>

Ministry of Foreign Affairs

Ministry of Industry, Trade and Tourism

Pacific Islands Forum Secretariat

Secretariat of the Pacific Community (SPC)

Investment Climate Statement

Executive Summary

The Republic of Fiji is an economic, transportation and academic hub of the South Pacific islands, making it an attractive trade and investment option for businesses looking to establish a presence in the region. While the population is short of one million, Fiji is an upper middle-income country that boasts a well-developed tourism infrastructure attracting over 790,000 tourists in 2016. Fiji welcomes foreign investment and has undertaken economic reforms purported to improve the investment climate. In 2016, the government reported a total of 28 new investment applications from American foreign investors valued at USD 126.5 million. This is compared to 20 projects valued at USD 15.1 million in 2014.

The government's investment promotion office Investment Fiji is responsible for the promotion, regulation, and control of foreign investment. Its online single window clearance system simplifies the registration process and enables online investment license application. Although the government has made some progress to improve the investment climate, transparency remains a concern, with foreign investors encountering lengthy and costly bureaucratic delays.

The land ownership situation in Fiji is complex. Fiji passed a Land Sales Act in December 2014 that restricts ownership of freehold land inside city or town council boundaries areas to Fijian citizens. Tax clearances from the Fiji Revenue and Customs Authority may hinder the remittances of profits and dividends.

Fiji's Reserve Bank predicts that the increased tourist arrivals, post-cyclone Winston reconstruction and expanding retail activity will drive 3.8 percent GDP growth in 2017, up from two percent growth in 2016.

Measure	Year	Index/Rank
<u>TI</u> <u>Corruption</u> <u>Perceptions</u> <u>Index</u>	2016	N/A
WorldBank'sDoingBusinessReport"Ease ofDoingBusiness"	2016	97 of 190

Table 4: Fiji Investment Clim	ate
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Global Innovation Index	2016	N/A
U.S. FDI in partner country (\$M USD, stock positions)	2014	-51
<u>World Bank</u> <u>GNI per</u> <u>capita</u>	2015	4,830

Openness to, and Restrictions Upon, Foreign Investment

Policies toward Foreign Direct Investment

The Fiji government encourages foreign investment, assuring investors that Fiji is a safe place to do business. The return to parliamentary democracy in 2014 and re-engagement of diplomatic relations with international partners improved investor confidence. However, investors have complained about bureaucratic challenges in doing business in Fiji, a lack of transparency in awarding government tenders, and the limited ability to resolve concerns with the government related to their investments.

Although Fiji has a tradition of a strong judiciary system where contractual rights are generally upheld, the lack of independence of the judiciary and the lengthy legal process raise concerns about due process of law.

The Fiji government is reviewing its investment policies in order to improve efficiency in the approval processes of foreign investment proposals. Investment Fiji is responsible for the promotion, regulation, and control of foreign investment in the interest of national development. In addition to registering and assisting with the implementation of foreign investment projects, Investment Fiji hosts information seminars for visiting foreign business delegations and participates at investment missions overseas.

Significant post-cyclone reconstruction, strong retail sales and tourism activity are expected to contribute to 3.8 percent growth in 2017, following two percent growth in 2016. According to 2016 figures, earnings from tourism were USD 810 million (FJD 1.685 billion) with visitor arrivals reaching 792,320. The number of U.S. visitors increased by 2.6 percent in 2016, accounting for nearly nine percent of total visitors. Tourism remains Fiji's largest foreign exchange earner, and the country has liberal visa requirements, allowing nationals of 109 nations to enter the country without acquiring a visa in advance. Remittances from Fijians working abroad, a second pillar of the economy, totaled about USD 260 (FJD 539.8 million) in 2016. Sugar exports remain important, though the industry is struggling to modernize. While the sector is a major employer, production is below its peak performance and preferential sugar quotas from the EU end in 2017. The sugar sector is diversifying into co-generation facilities for producing energy as a means to boost profit. U.S. exports to Fiji declined by 3.3 percent in 2016, and two-way trade with Fiji totaled about USD 258.3 million.

Limits on Foreign Control and Right to Private Ownership and Establishment

The Foreign Investment Act (FIA) and the 2009 Foreign Investment Regulation regulate foreign investment in Fiji. All businesses with a foreign investment component in their ownership are required to register and obtain a Foreign Investment Registration Certificate (FIRC) from Investment Fiji. In 2013, the government amended the foreign investment law to allow the government to confiscate assets, interests, and/or shares or properties of foreign investors who do not comply with FIRC conditions, thus leading to a termination of its FIRC.

A number of investment activities are reserved for Fiji nationals or subject to restrictions. There are <u>17 reserved activities wholly for Fiji citizens</u>, mainly in the services sector, and eight restricted activities.

Restricted activities in forestry, tobacco production, tourism (cultural heritage), real estate development, construction, earthmoving, and inter-island shipping or passenger service require minimum investments ranging from USD 0.24 million – 2.4 million (FJD 0.5 million – 5 million). Investment in the fisheries sector also requires a 30 percent local equity in the project.

Investment Fiji screens foreign investment proposals to ensure that the projects are in the interest of national development.

Other Investment Policy Reviews

In 2016, Fiji completed its second WTO trade policy review and was encouraged to submit its outstanding WTO notifications, in particular commitments under the Trade Facilitation Agreement (TFA). Fiji is reviewing its domestic processes to ratify the TFA. In 2015, UNCTAD undertook a voluntary peer review of Fiji's competition law and policy.

Business Facilitation

Investment Fiji is responsible for the promotion, regulation, and control of foreign investment in the interest of national development. Its Online Single Window Clearance System simplifies the registration process and enables online applications for a FIRC and payment of the requisite application fee of USD 1,310 (FJD 2,725). Information on the registration procedures, regulations, and registration requirements for foreign investment is available at the <u>Investment Fiji website</u>.

Outward Investment

The Reserve Bank of Fiji lifted its suspension of offshore investments by Fiji residents in 2016. However, the offshore investment allowance by Fiji residents is capped at USD 12,000 (FJD 25,000) per annum.

Bilateral Investment Agreements and Taxation Treaties

Fiji has double taxation agreements with Australia, Japan, Malaysia, New Zealand, Papua New Guinea, the Republic of Korea, Singapore, United Arab Emirates and United Kingdom. Fiji has not entered into a bilateral investment treaty or a double taxation agreement with the United States.

Legal Regime

Transparency of the Regulatory System

Fiji returned to parliamentary democracy following elections in 2014, allowing for debate and discussions on proposed new laws. Although the government has made some progress, consultation with the private sector and other stakeholders on proposed laws and regulations remains an area of concern. The business community has complained that the government enacts new regulations with little prior notice or publicity. There is a perception among foreign investors of a lack of transparency in government procurement and approval processes. Some foreign investors considering investment in Fiji have encountered lengthy and costly bureaucratic delays, shuffling of permits among government ministries, inconsistent and changing procedures, lack of technical capacity, costly penalties due to the interpretation of tax regulations by the Fiji Revenue and Customs Authority (FRCA) and slow decision-making. The Biosecurity Authority of Fiji (BAF) regulates all food and animal products entering Fiji and has stringent and costly point-of-origin inspection and quarantine requirements for foreign goods. Some importers have had import permits denied for categories of food or animal products which were previously allowed, with little or no explanation for the change.

Fiji's constitution provides for public access to government information and for the correction or deletion of false or misleading information. Although the constitution requires that a freedom of information law be enacted, there is no such law yet.

International Regulatory Considerations

Fiji has been a member of the WTO since January 1996. According to Fiji's trade profile on the WTO website, there are no records of disputes. Fiji is reviewing its domestic processes to ratify the WTO's Trade Facilitation Agreement.

Legal System and Judicial Independence

The legal system in Fiji developed from British law. Fiji maintains a judiciary consisting of a Supreme Court, a Court of Appeal, a High Court, and magistrate courts. The Supreme Court is the final court of appeal. Since April 2009, Fiji has recruited prosecutors and judges on contract mainly from Sri Lanka.

Both companies and individuals have recourse to legal treatment through the system of local and superior courts. Fiji's Companies Act 2015 repealed outdated legislation. A foreign investor theoretically has the right of recourse to the courts

and tribunals of Fiji with respect to the settlement of disputes, but government decrees have been used to block foreign investors from legal recourse in investment takeovers, tax increases, or write-offs of interest to the government. In 2016, the government deported foreigners involved in business disputes or protests against governmental regulations without explanation, access to legal assistance, or opportunity to appeal.

Laws and Regulations on Foreign Direct Investment

The Foreign Investment Act (FIA) and the 2009 Foreign Investment Regulation regulate foreign investment in Fiji. All businesses with a foreign-investment component in their ownership are required to register and obtain a Foreign Investment Registration Certificate (FIRC) from Investment Fiji. Information on the registration procedures, regulations, and registration requirements for foreign investment is available at the <u>Investment Fiji website</u>. In 2016, amendments to the FIA also require that foreign investors seek approval prior to any changes in the ownership structure of the business, with penalties incurred for non-compliance.

Investment Fiji's online Single Window Clearance System enables online business registration, application for a FIRC, and payment of the requisite application fee. Information on the registration procedures, regulations, and registration requirements for foreign investment is available on the <u>organization's website</u>. However, the most up to date reporting requirements may not be available on the website.

Competition and Anti-Trust Laws

The Fiji Commerce Commission (FCC), established under the 2010 Commerce Commission Decree, regulates monopolies, promotes competition, and controls prices of selected hardware, basic food items, and utilities, in order to ensure a fair, competitive, and equitable market.

Expropriation and Compensation

Expropriation has not historically been a common phenomenon in Fiji. A foreign investor theoretically has the same right of recourse as a Fijian enterprise to the courts and other tribunals of Fiji to settle disputes. In practice, the government has acted to assert its interests with laws affecting foreign investors.

In 2013, the government amended the Foreign Investment Decree with provisions to permit the forfeiture of foreign investments as well as significant fines for breaches of compliance with foreign investment registration conditions.

In 2010, through the Natadola Development Decree, the foreign investment certificate of the project developers of the Natadola Bay integrated tourism development project was cancelled, and their shares in the project forfeited. The government's 2010 Media Decree, which limited foreign ownership of media organizations to ten percent, forced the sale of Australia-based News Limited's

controlling stake in the Fiji Times, the country's oldest and main daily newspaper.

The 2010 Natadola and Momi Bay Decrees effectively forced the takeover of private assets, extinguished creditors' claims, and excluded the jurisdiction of the courts from the transfer of properties in dispute to the Fiji National Provident Fund (FNPF). This action left no recourse for foreign investors who had filed legal challenges, as those challenges were terminated from the court process by the Natadola and Momi decrees.

Dispute Settlement

ICSID Convention and New York Convention

Fiji acceded to the New York Convention in September 2010. Fiji has been a member of the ICSID since September 1977. However, there are no legislative or other measures adopted to make the convention effective.

Investor-State Dispute Settlement

In 2010, a director of a major U.S. investor, Fiji Water, was deported. The same company was singularly targeted with an increased export tax to USD nine cents (FJD 18 cents) per liter of water in 2016. Other foreigners were deported in 2016 following payment disputes or protests against governmental regulations.

Past investment disputes have often focused on land issues, particularly in the mining, timber and tourism sectors. Such disputes have been resolved through labor-management dialogue, government intervention, referral to compulsory arbitration, or through the courts. In some instances the investors have withdrawn from Fiji when a resolution could not be found. Fiji is a party to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States.

The World Bank Doing Business 2017 survey ranked Fiji 97 out of 190 on the efficiency of the judicial system to resolve a commercial dispute. According to the survey, Fiji required 34 procedures to enforce a contract and took 397 calendar days to complete procedures at a cost of 38.9 percent of the value of the claim.

International Commercial Arbitration and Foreign Courts

Fiji has been a party to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States since 1977. Fiji acceded to the New York Convention in September 2010. However, there are no legislative or other measures adopted to make the conventions effective.

Bankruptcy Regulations

Fiji's Companies Act 2015 has provisions relating to solvency and negative solvency. According to the 2016 World Bank Doing Business survey, in terms of

resolving insolvency, Fiji was ranked 89 out of 189. The survey estimated that it took 1.8 years at a cost of ten percent of the estate to complete the process, with an estimated recovery rate of 46.2 percent of value.

Industrial Policies

Investment Incentives

Foreign investors can apply for incentives following registration with Investment Fiji. Information on incentive packages for investors can be obtained from the Fiji Revenue and Customs Authority. Incentives offered include preferential tax treatment and duty free or low duty treatment of imported materials and equipment. The incentives reflect the Fiji government's long-term concerted efforts to encourage exports and develop priority sectors, including tourism, health services, commercial agriculture, fisheries, forestry, the filmmaking and audio visual industry, and the information technology industry. Fiji also established a tax free region in the northern and maritime island regions of the country to encourage rural development, and introduced incentives to encourage investment in bio-fuel and renewable energy.

In 2016, incentives to encourage investment in the setting up of electric vehicle charging stations include a seven year tax holiday, subsidies ranging from five to seven percent of the total capital outlay incurred in the development of charging stations for investments between USD 1.4 million – 4.8 million (FJD 3-10 million), and loss carried forward for eight years.

Tourism incentives include tax-related investment allowances for approved expenditures on tourist boats/ships and approved building and expansion projects. The tourism incentive package provides a ten-year tax holiday for approved large tourism development projects with capital investments of more than USD 3.3 million (FJD seven million) to be completed within two years from the date when the provisional approval was granted. Filmmaking and audio-visual incentives include a 47 percent tax rebate on production costs spent in Fiji up to USD 12 million, which is a maximum allowable tax rebate of USD 5.64 million. There are various incentives to encourage investment in the agriculture, fisheries, and forestry industry including zero-rated fiscal duty on imported agricultural machineries, equipment and inputs, and specialized equipment and machinery for forestry and fisheries. The benefits, which can be up to a ten-year tax holiday, vary by industry and nature of the investment.

The income of any business setting up private hospitals with a minimum capital investment of USD 3.3 million (FJD 7 million) is exempt from tax for a period of ten years. A 60 percent investment allowance applies for refurbishments, renovations and extensions with a minimum capital investment of USD 480,000 (FJD one million). The income of any business setting up ancillary medical services such as pathology lab, MRI, or other diagnostics is exempt from tax for a period of four years with a minimum capital investment level of USD 960,000 (FJD two million). A 60 percent investment allowance applies for refurbishments, renovations and extensions with a minimum capital investment of USD 960,000 (FJD two million). A 60 percent investment allowance applies for refurbishments, renovations and extensions with a minimum capital investment of USD 240,000 (FJD 500,000). There is a duty concession (free fiscal duty, free import excise and free VAT) on medical, hospital, surgical, and dental goods that are used and

imported by the business. Recipients of provisional approvals for setting up private hospitals should complete the project within two years from the date the provisional approval was granted. Losses on private hospitals may be carried forward for eight years.

Foreign Trade Zones/Free Ports/Trade Facilitation

The northern and selected maritime regions of Fiji have been declared Tax Free Regions (TFR) to encourage development in these isolated outposts. The specific areas include Vanua Levu, Rotuma, Kadavu, Levuka, Lomaiviti, and the Korovou-Tailevu area in the east of Viti Levu. Businesses established in these regions which meet the prescribed requirements enjoy a corporate tax holiday for up to 13 years and import duty exemption on raw materials, machinery, and equipment.

Performance and Data Localization Requirements

Many jobs are reserved for Fijian citizens, and work permit applications for expatriate employees may face delays or denials. Potential employers and employees should consult Fiji Immigration for further information prior to making any binding commitments as it can be difficult to secure employment visas for non-Fijians.

To support the implementation of newly approved investments, Investment Fiji established a monitoring system to assist companies in obtaining necessary approvals to commence operations. The investing firm must ensure that commercial production begins within 12 months for investments under USD 1.2 million (FD 2.5 million) or within 18 months of the date of approval of the project for investments above USD 1.2 million (FD 2.5 million).

In 2017, the government passed in parliament the Fiji Interchange Network (Payments) Act that regulates the payment systems and services through the Fiji interchange network. The law establishes the Fiji Interchange Network Authority that will have oversight, supervisory and regulatory powers over the interchange, its members and its activities. According to the law, the State owns the network.

The U.S. Embassy is unaware of any policies regulating data storage or requiring foreign IT providers to turn over source code or provide access to surveillance.

Protection of Property Rights

Real Property

Land tenure and usage in Fiji is a highly complex and sensitive issue. Fiji amended the Land Sales Act in December 2014 to restrict ownership of freehold land inside a city or town council boundaries areas to Fijian citizens. There are exceptions to allow foreigners to purchase strata title land, which is defined as ownership in part of a property including multi-level apartments or subdivisions. Foreigners are still allowed to purchase, sell, or lease freehold land for industrial or commercial purposes, residential purposes within an integrated tourism development, or for the operation of a hotel licensed under the Hotel and Guest Houses Act. The Land Sales Act also requires foreign land owners who purchase approved land to build a dwelling valued at a minimum of USD 120,000 (FD 250,000) on the land within two years, or face an annual tax of 20 percent of the

land value (applied as ten percent every six months). Freehold land currently owned by a non-Fijian can pass to the owners' heirs and will not be deemed a sale.

Foreign land owners criticized the government of Fiji for the speed at which the act was passed and the perceived lack of consultation with land owners and developers. The application of the Land Sales Act continues to create uncertainty among foreign investors. The Fiji government has yet to provide full clarification of the act, such as defining what constitutes an integrated tourism development. The limited capacity of construction and architecture firms, especially with the high demand for construction services following Cyclone Winston in 2016, makes it difficult to comply with the two-year time frame for building a dwelling before tax penalties set in.

According to the World Bank's Doing Business Report, registering property took a total of 69 days and involved four main processes, including conducting title searches at the Titles Office, presenting transfer documents for stamping at the Stamp Duty office, obtaining tax clearance on capital gains tax, and settlement at the Registrar of Titles Office.

Ethnic Fijians communally hold approximately 87 percent of all land. Crown land owned by the government accounts for four percent while the remainder is freehold land, which private individuals or companies hold. All land owned by ethnic Fijians, commonly referred to as iTaukei land, is held in a statutory trust by the iTaukei Land Trust Board (TLTB) for the benefit of indigenous landholding units.

To improve access to land, the government established a land bank in the Ministry of Lands under the land use decree for the purpose of leasing land from indigenous landowning units (collections of households; under the indigenous communal landowning system, land is not owned by individuals) through the TLTB and subleasing the land to individual tenants for lease periods of up to 99 years.

The constitution includes other new provisions protecting land leases and land tenancies, but observers noted that the provisions had unintended consequences, including weakening the overall legal structure governing leases.

The availability of Crown land for leasing is usually advertised. This does not, however, preclude consideration given to individual applications in cases where land is required for special purposes. Government leases for industrial purposes can last up to 99 years with rents reassessed every ten years. TLTB leases for land nearer to urban locations are normally for 50–75 years. Annual rent is reassessed every five years. The maximum rent that can be levied in both cases is six percent of unimproved capital value. Leases also usually carry development conditions that require lessees to effect improvements within a specified time.

Apart from the requirements of the TLTB and Lands Department, town planning, conservation, and other requirements specified by central and local government

authorities affect the use of land. Investors are urged to seek local legal advice in all transactions involving land.

Intellectual Property Rights

Fiji is not listed in <u>USTR's 2017 Special 301 report</u> or <u>2016 Notorious Markets list</u>. Fiji's copyright laws are in conformity with World Trade Organization (WTO) Trade Related Aspects of Intellectual Property (TRIPS) provisions. Copyright laws adhere to international laws, and while there are provisions for companies to register a trademark or petition for a patent in Fiji through the Office of the Attorney General, trademark and patent laws are outdated. Furthermore, the enforcement of these laws remains inadequate. There is no protection for designs or trade secrets.

Illegal materials and reproductions of films, sound recordings, and computer programs are widely available throughout Fiji. The government is reviewing trademark and patent laws, but capacity is a challenge.

For additional information about treaty obligations and points of contact at local IP offices, please see <u>WIPO's country profiles</u>.

Contact Information

Fiji Intellectual Property Office Office of the Attorney General Level 7 Savavou House, Victoria Parade P.O. Box 2213 Government Buildings Suva, Fiji Phone: (679)-330-9866

U.S./Fiji Business Council (AmCham) Level 4 FNFP Place 343, Victoria Parade P.O. Box 12499 Phone: (679)-330-5510 Email: <u>secretariat@fijiamcham.com</u>

U.S. Embassy Suva Commercial Office Email: <u>commercialsuva@state.gov</u>

List of local attorneys in Fiji

Financial Sector

Capital Markets and Portfolio Investment

The capital market is regulated and supervised by the Reserve Bank of Fiji. Nineteen companies were listed on the Suva-based South Pacific Stock Exchange (SPSE) in 2016. At the end of 2016, market capitalization was USD 613 million (FJD 1.28 billion), an increase of 29.6 percent over 2015 values. To promote greater activity in the capital market, the government lowered corporate tax rates for listed companies to ten percent and exempted income earned from the

trading of shares in the SPSE from income tax and capital gains tax.

Money and Banking System

Fiji has a well-developed banking system supervised by the Reserve Bank of Fiji (RBF). The RBF regulates the Fiji monetary and banking systems, manages the issuance of currency notes, administers exchange controls, and provides banking and other services to the government. In addition, it provides lender-of-last-resort facilities and regulates trading bank liquidity.

There are six trading banks with established operations in Fiji: ANZ Bank, Bank of Baroda, Bank of South Pacific, Bred Bank, Home Finance Corporation and Westpac Banking Corporation. Non-banking financial institutions also provide financial assistance and borrowing facilities to the commercial community and to consumers. These institutions include the Fiji Development Bank, Credit Corporation, Merchant Finance, and insurance companies. The banking sector is well capitalized and as of December 2016, total assets of commercial banks amounted to USD 4.3 billion (FJD 9 billion).

Foreign Exchange and Remittances

Foreign Exchange

The Reserve Bank of Fiji (RBF) relaxed a number of foreign exchange controls, including increasing delegated limits for commercial banks and authorizing foreign exchange dealers to process some payments in 2016. The Fiji dollar remains fully convertible. The Fiji dollar is pegged to a basket of currencies of Fiji's principal trading partners, chiefly Australia, New Zealand, the United States, the European Union, and Japan.

Although no limits were placed on non-residents borrowing locally for some specified investment activities, the RBF placed a credit ceiling on lending by commercial banks to non-resident controlled business entities.

Remittance Policies

Tax compliance may restrict foreign investors' repatriation of investment profits and capital. Prior clearance of withholding tax payments on profit and dividend remittances is required from the Fiji Revenue and Customs Authority. Profit and dividend remittances above USD 480,000 (FD one million) per company per annum and large payments require RBF approval. Provided all required documentation is submitted, the processing time for remittance applications is approximately three working days.

Sovereign Wealth Funds

There is no sovereign wealth fund or asset management bureau in Fiji. The country has the Fiji National Provident Fund which manages and invests members' savings for their retirement. The fund invests in equities, bonds, commercial paper, mortgages, real estate and various offshore investments.

State-Owned Enterprises

State-owned enterprises (SOEs) in Fiji are concentrated in utilities and key services and industries including aerospace (Fiji Airways, Airports Fiji Limited); agribusiness (Fiji Pine Ltd); energy (Fiji Electricity Authority); food processing (Fiji Sugar Corporation, Pacific Fishing Company); information & communication (Amalgamated Telecom Holdings); and media (Fiji Broadcasting Corporation Ltd). There are 11 Government Commercial Companies which operate commercially and are fully owned by the government, six Commercial Statutory Authorities (CSA) which have regulatory functions and charge nominal fees for their services, six Majority Owned Companies, and one Minority Owned Company with some government equity. The SOEs that provide essential utilities, such as energy and water, also have social responsibility and non-commercial obligations.

Aside from the CSAs, SOEs do not exercise delegated governmental powers. In the energy sector, the Fiji Electricity Authority is the generator and distributor of energy as well as the industry regulator. SOEs benefit from economies of scale and may be favored in certain sectors. The Fiji Broadcasting Company Ltd (FBCL) is exempt from the Media Decree, which governs private media organizations and exposes private media to lawsuits. In some sectors, the government has pursued a policy of opening up or deregulating various sectors of the economy.

Privatization Program

To encourage more private sector participation, the government continues to support the partial divestment of shares in certain government companies as well as the sale of some of its assets in aviation infrastructure and energy. Although foreign investors can participate in these programs and information is published in the local newspapers, the government's Ministry of Economy, Public Enterprises, Civil Service, and Communications does not provide information on these opportunities online.

Responsible Business Conduct

Though Responsible Business Conduct (RBC) is still a relatively new concept in Fiji, it is increasingly promoted, with both multi-national companies and large local companies practicing RBC through charitable foundations. Major companies' advertising often promotes the company's social benefits or charity sponsorships. There is no official favoring of RBC-friendly businesses, and consumers tend to seek value for price. The government has included a social responsibility component for SOEs that provide essential utilities.

Corruption

The law provides criminal penalties for corruption by officials, but the government does not implement the law effectively. The government established an independent commission against corruption, the Fiji Independent Commission Against Corruption (FICAC), with broad powers of investigation. FICAC's public service announcements encouraging citizens to report corrupt government activities have had some effect on systemic corruption. The media publishes articles on FICAC investigations into abuse of office, and anonymous blogs report on government corruption. However, Fiji's relatively small population and

limited circles of power often lead to personal relationships playing a major role in business and government decisions.

Fiji's constitution provides for public access to government information, and for the correction or deletion of false or misleading information. The constitution requires that a freedom of information law be enacted but does not specify a deadline for parliament to pass such a law.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Fiji acceded to the UN Convention against Corruption in 2008 but is not a party of the OECD Convention on Combating Bribery.

Resources to Report Corruption

Fiji Independent Commission Against Corruption (FICAC) George Langman, Deputy Commissioner P.O. Boz 2235 Government Buildings Suva, Fiji Phone: (679)-331-0290 Email: <u>info@ficac.org.fi</u>

Transparency International Fiji Dr. Joseph Veramu 72 Pratt Street G.P.O. Box 12642 Suva, Fiji Phone: (679)-330-4702 Email: <u>oa@transparencyfiji.org</u>

Political and Security Environment

The country returned to parliamentary democracy following general elections held in September 2014 after eight years of military rule. In an election deemed free and fair by the international community, citizens elected Josaia Voreqe Bainimarama as prime minister. Bainimarama overthrew the elected government in a bloodless coup in 2006. The Public Order (Amendment) Decree (POAD) restricts freedoms of speech, assembly, and movement. The POAD, media decree, and other decrees promulgated since the 2006 coup remain in force.

Although there have been human rights concerns in previous years, the possibility of civil disturbances is deemed to be fairly low.

Labor Policies and Practices

The labor force in 2016 was estimated to be 347,526. Education is compulsory until age 17, with male and female students in Fiji achieving largely the same level of education. The labor force participation rate was estimated at 54.3 percent in 2016. National unemployment in 2016 stood around 7.9 percent, although the rates for youth and women were higher, at 19.2 percent and 11.1 percent respectively.

Fiji continues to face acute labor shortages in a broad range of fields, including the medical, management, engineering, and financial sectors, and to a lesser extent, for competent trade-skilled people in the construction and tourism industries.

The Ministry of Employment, Productivity, and Industrial Relations has responsibility for the administration of labor laws and the encouragement of good labor relations. The Employment Relations (Amendment) Act of 2016 restored the 2007 Employment Relations Promulgation (ERP) as the primary basis for the right of workers to join trade unions.

Trade unions are independent of the government. The ERP prohibits forced labor, discrimination in employment based on ethnicity, gender, and other prohibited grounds and stipulates equal remuneration for work of equal value. There are workplace safety laws and regulations, and safety standards apply equally to both citizens and foreign workers. The national minimum wage rate is USD 1.12 (FJD 2.32).

OPIC and Other Investment Insurance Programs

The U.S. Overseas Private Investment Corporation (OPIC) provides investment insurance in Fiji for qualified applicants, including political risk insurance and loans. The risks of currency convertibility are safeguarded under Fiji's foreign exchange regulations. Fiji is not a member of the Multilateral Investment Guarantee Agency.

Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 5: Key Macroeconomic Data, U.S. FDI in Fiji

	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	2015	N/A	2015	\$4,426	<u>World Bank</u>

Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (\$M USD, stock positions)	2014	N/A	2014	\$51	BEA
Host country's FDI in the United States (\$M USD, stock positions)	2015	N/A	2015	NA	<u>BEA</u>
Total inbound stock of FDI as % host GDP	2015	N/A	2015	\$6.96	<u>World Bank</u>

Table 6: Sources and Destination of FDI

No data available.

Table 7: Sources of Portfolio Investment

No data available.

Contact for More Information on the Investment Climate Statement

U.S. Embassy Suva 158 Princes Road, Tamavua P.O. Box 218 Suva, Fiji Phone: (679)-331-4466 Email: <u>commercialsuva@state.gov</u>

Trade and Project Financing

Methods of Payment

Fiji has a stable financial and banking system, but the international services division of a U.S. or Fiji bank should be consulted for recommendations regarding the best method for a given transaction.

Options for payment include:

- Telegraphic Transfers
- Cash in Advance
- Commercial Bills of Exchange
- An Open Account
- Letters of Credit

A letter of credit is a very secure form of payment and is used frequently for new or unknown clients perceived to offer relatively more risk of nonpayment.

Banking Systems

Fiji has a developed banking system controlled by the Fiji Government through the Reserve Bank of Fiji (RBF). The Reserve Bank regulates the Fijian monetary and banking system, manages note issues, administers exchange controls, and provides banking and other services to the government. It provides and regulates trading-bank liquidity via the government's monetary policy. In addition to managing the credit environment, the RBF has responsibility for foreign exchange controls and management of Fiji's international reserves.

There are six commercial banks licensed by the Reserve Bank of Fiji and with established operations in Fiji. There are also non-bank financial institutions (NBFI) providing financial assistance and borrowing facilities to the commercial community and to consumers. The non-bank institutions are: the Fiji Development Bank, the Fiji National Provident Fund (FNPF), the Housing Authority, the Credit Corporation, the Merchant Finance & Investment Company Ltd., and a number of insurance companies.

The commercial banks are:

- ANZ Banking Group Limited, P.O. Box 179, Suva, Phone: (679)-321-3000; Fax: (679) 321-3756
- Bank of Baroda, P.O. Box 47, Suva, Phone: (679)-331-1402, Fax: (679)-330-2510

- Bank of South Pacific (BSP), Private Mail Bag, Suva, Phone: (679) 331-4400; Fax: (679)-330-3448
- Bred Bank, Private Mail Bag, Suva, Phone: (679)-310-0222; Fax: (679) 310-0555
- HFC Bank, P.O. Box 161, Suva, Phone: (679)-331-655
- Westpac Banking Corporation, P.O. Box 238, Suva, Phone: (679)-330-0666; Fax: (679)-330-1838

Principal credit financial institutions are:

Credit Corporation, Credit House, 10 Gorrie Street, Suva, Phone: (679)-330-5744; Fax: (679)-330-5747

- Merchant Finance and Investment Co. Ltd, 91 Gordon Street, Suva, Phone: (679)-331-4955; Fax: (679)-330-0026
- Fiji Development Bank, 369 Victoria Parade, Suva, Phone: (679)-331-4866; Fax: (679)-331-4886
- Kontiki Finance, Level 5, Tappoo City Building, Thompson Street, Suva, Phone: (679)-330-3400; Fax: (679) 330-3401

Services provided by the banks include: lending, overdraft facilities, full-drawn advances, housing loans, leasing finance, personal loans, bankers opinion, credit card facilities, money transfers/remittances, trade finance, trade enquiries, letters of credit, documentary collections, travelers checks, foreign-currency accounts, forward exchange (restricted to trade), and foreign currency loans (residential and trade).

The assets of all commercial banks in Fiji at the end of December 2016 totaled USD\$4.3 billion (F\$9 billion). Fiji's foreign currency exposure policy places limits on banks' net, foreign and open positions, and gross forward, foreign-exchange and sales contracts, in relation to an individual bank's level of capital in Fiji.

Foreign Exchange Controls

Exchange control is administered by the Reserve Bank of Fiji through the Exchange Control Act and subsidiary legislation. Areas affected by exchange control include transactions in foreign currency, transfer of currency into and out of Fiji, transfer of property and securities out of Fiji, export and import transactions, and issue of shares or capital in locally registered companies to foreign investors.

Investments from outside Fiji, overseas equity, loan investment into Fiji, and the flow of funds arising from commercial and private transactions into and out of Fiji are subject to exchange controls.

All commercial banks operating in Fiji, along with non-bank financial institutions, act as agents of the Reserve Bank in matters affected by the Exchange Control Act. Limited authority has been delegated to the commercial banks. The Reserve Bank maintains tight exchange controls on non-resident borrowing. The exchange control policy guidelines and delegated limits for authorized dealers can be found on the <u>Reserve Bank of Fiji's website</u>.

U.S. Banks and Local Correspondent Banks

- Australia and New Zealand Banking Group Limited (ANZ) with Citibank, New York, for drafts; ANZ Bank, New York, for outward telegraph transfers; and Bank of America, San Francisco, for negotiation of checks.
- Bank of Baroda, New York branch
- BRED Bank (Fiji) with Wells Fargo, for drafts, negotiation of checks, outward telegraph transfers.
- BSP Fiji with Bank of America, San Francisco, CA
- Westpac Banking Corporation with Bank of America, San Francisco, CA.

Project Financing

The Fiji government has invested heavily in upgrading road infrastructure and bridges. Infrastructure development is financed through a combination of grants and loans. Concessional loans from the Export-Import Bank of China and Malaysia have funded road construction throughout the country. Loans from the Asian Development Bank (ADB) were expanded to improve water and sanitation in urban areas. Following Cyclone Winston in 2016, the World Bank and the ADB provided an emergency loan facility of \$100 million to support the Fiji government's reconstruction and rehabilitation efforts.

Multilateral Development Banks

The U.S. Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the Asian Development Bank and the World Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders. Learn more by contacting the Commercial Liaison Offices to the Asian Development Bank and the World Bank.

Banking Web Resources

Commercial Liaison Office to the Asian Development Bank

Commercial Liaison Office to the World Bank

Financing Web Resources Bank of Baroda

Bank of the South Pacific

Bred Bank (Fiji)

Country Limitation Schedule

Credit Corporation Fiji Ltd

Export-Import Bank of the United States

<u>Fiji Development Bank</u>

<u>HFC Bank</u>

<u>OPIC</u>

Reserve Bank of Fiji

SBA's Office of International Trade

The Australian and New Zealand Banking Group Limited (ANZ)

<u>Trade Finance Guide</u>: A Quick Reference for U.S. Exporters, published by the International Trade Administration's Industry & Analysis team

U.S. Agency for International Development

U.S. Trade and Development Agency

USDA Commodity Credit Corporation

Westpac Banking Corporation

Business Travel

Business Customs

Business in Fiji tends to be conducted in a less formal manner than in many other countries. The use of first names is common. Business meetings often begin with small talk and sometimes proceed more slowly than an equivalent meeting in the United States.

It is advisable to reconfirm business appointments and meeting arrangements. However, U.S. businesspeople should not be unduly surprised when kept waiting beyond scheduled times. In the government and financial sector, men usually wear collared shirts and ties during work hours. Very casual attire, including shorts, should be avoided. Evening functions are normally informal, unless otherwise specified. Many offices wear Bula/Aloha shirts on Fridays.

Fiji adopts a relatively conservative approach toward Sunday religious observance. Most retail business is closed on Sunday, but basic services are available. There are sizeable minorities of Hindus and Muslims in the population who have special religious observances regarding food and drink.

Fiji uses the metric system of weights and measures. Dates are written in the order of day, month, year (for example, 10 January 2017 or 01/10/17). In writing numbers, commas denote thousands and periods denote fractions as follows: \$1,000.50, as in the United States.

Travel Advisory

See the <u>State Department's website</u> for any current travel advisories.

Visa Requirements

A passport valid for at least six months beyond the intended period of stay, a ticket for return or onward travel, and proof of sufficient funds to cover travel expenses are required for entry into Fiji. Entry visas are granted on arrival for a stay of up to four months for U.S. nationals. Business travelers do not require special visas to visit Fiji. Visas may be extended for up to six months on application to the Department of Immigration in Suva, Lautoka or Nadi. Those wishing to reside and work in Fiji, even on a temporary basis, require proper authority to do so before arrival. In most cases, prospective employers will make necessary arrangements to sponsor such people.

U.S. companies that require travel of foreign businesspersons to the United States should be advised that Fijian citizens require a visa.

Contact Information

<u>Fiji Embassy in Washington, D.C.</u>

State Department Visa Website

U.S. Embassy Suva

Currency

The Fiji dollar is the basic unit of currency. Other currencies may be exchanged at hotels, banks and foreign exchange counters. Credit cards are accepted at most hotels, restaurants and shopping areas. ATMs and EFTPOS machines can also be found in most of the urban areas. The Reserve Bank of Fiji reported that more than 500 credit and debit card holders were affected by credit card skimming in 2015, which remains a common occurrence.

Telecommunications/Electric

Fiji's telecommunication systems are fairly well developed, though costly. Fiji has connectivity via the Southern Cross Cable fiber optic network. The high speed network can deliver a 240Gbps (capacity of submarine cable system) and a direct and secure bandwidth from Australia, New Zealand and Hawaii.

Mobile phone service is the most popular means of communication but may provide limited connectivity outside urban areas or on the outer islands. The three mobile service providers include Vodafone Fiji, Digicel, and Inkk Mobile, providing 3G/4G long-term evolution mobile technology for data, voice and text services. The Vodafone Fiji Network uses the 1800 MHz frequency. Wi-Fi is also available in most major resorts and hotels.

Telecom Fiji Limited (TFL) is the sole provider of local and national (trunk) telephony services. Its network throughout Fiji and Rotuma consists of 55 telephone exchanges and connects over 101,000 customers in all major towns. The range of products and services offered by TFL include data networking services, managed services, colocation, cloud services and voice products.

Household electrical current is 220 volt, 50 cycle and the plugs are three pronged.

Transportation

U.S. business travelers to Fiji should not encounter unexpected difficulties and can use normal reservation services for travel and accommodation. Visitors are advised to take into account the requirement to have a valid Fiji visa (obtainable upon arrival), a passport valid for at least six months beyond the intended period of stay, a ticket for return or onward travel to another country, and proof of sufficient funds to cover travel expenses.

Fiji is at the crossroads of the South Pacific, central among the southern Pacific island nations, and a mid-way stop for some flights from Australia and New Zealand to America. On average, there are thirty international flights landing in or departing Fiji daily.

Fiji's national carrier, Fiji Airways, flies to six Pacific island nations as well as New Zealand, Australia, Hong Kong, Singapore and the United States. The airline offers code share flights with American Airlines between Fiji and the United States. Other airlines servicing Fiji are Air Caledonie, Air New Zealand, Air Niugini, Air Vanuatu, Jetstar, Korean Airlines, Our Airline, Solomon Airlines, and Virgin Australia.

Fiji has two international airports, both on Viti Levu, the largest island. Most overseas flights arrive and depart from Nadi (pronounced Nandi) on Viti Levu's west coast. The other international airport is on the eastern side at Nausori, outside the capital of Suva.

Fiji Link, a Fiji Airways subsidiary, is Fiji's main domestic airline. Northern Air provides special charted flights for specific inter-island routes. High fuel costs result in increasing inter-island fares.

Visitors to Fiji may drive on a valid driver's license from their home country for the same class of vehicle or with a valid international driver's license. Driving is on the left side of the road. The maximum speed limit on the open road is 80 kilometers per hour (50 mph), and 50 kilometers per hour (30 mph) in urban areas. In specified areas for schools and industrial areas, the speed limit may range from 20–30 kilometers per hour (12–19 mph). Rental cars are available from internationally known companies at Fiji's gateway airports and in major urban areas.

Language

Fiji is an English-speaking country, although Fijian and Hindi are also widely spoken.

Health

Fiji is free from malaria, yellow fever, and many tropical diseases endemic to tropical countries. Typhoid, dengue fever, chikungunya, and leptospirosis have periodically been reported. Fiji also reported cases of Zika Virus in 2016. The country has a fairly effective medical system, but emergency care is largely restricted to urban centers. Tap water in Suva, Lautoka, and the other major towns has been treated but may not always be safe to drink. Bottled water is readily available. Outside of these urban centers and large resorts, tap water should not be considered potable.

Local Time, Business Hours, & Holidays

The government's business hours are 8.00am to 4.30pm, with an hour for lunch between 12 noon and 2.00pm, from Monday to Thursday. On Fridays, the government closes early at 4.00pm. However, private businesses are usually open from 8.30am to 5.00pm, while banks operate daily from 9.30am to 4.00pm.

Table 8: Fiji 2017 Official Holidays

Date	Holiday
Date	попиау

January 2	New Year's Day		
April 14	Good Friday		
April 15	Easter Monday		
June 30	National Sports Day		
September 7	Constitution Day		
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October 10	Fiji Day		
October 19	Diwali		
December 25	Christmas Day		
December 26	Boxing Day		
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Temporary Entry of Materials and Personal Belongings

Machinery and equipment imported for temporary use and for a specific project in Fiji and then re-exported, may be allowed as "Privileged Goods" on a checkin/check-out basis, without payment of normal duties. Security in the form of a cash or bond must be deposited with the Fiji Revenue and Customs Authority at the time of importation. Upon re-exportation of such goods, the cash deposit will be refunded or bond cancelled.

Personal and household effects may be imported free of fiscal/excise duty, though this is subject to conditions set out by the Fiji Revenue and Customs Authority. For the importation of personal motor vehicles, normal duties must be paid.

Travel Related Web Resources

Centers for Disease Control Connect Fiji Digicel Fiji Fiji Embassy, Washington D.C. Fiji Government Fiji Immigration Department Fiji Revenue & Customs Authority Investment Fiji State Department Visa Website Telecom Fiji Tourism Fiji

<u>Vodafone</u>