

Investment **Fiji**

**SECTOR
PROFILES**

Invest in Fiji

Why Invest in Fiji?

Regional Hub

Fiji sits in the heart of the South Pacific and therefore has been a trading hub for hundreds of years. Strong shipping and air connectivity coupled with modern ICT infrastructure makes Fiji a logical choice for your business.

Shipping & Air Connectivity

Fiji's two major ports located in Suva and Lautoka are serviced by global shipping liners. Direct services to and from Asia, Australia, NZ, Pacific Islands and the Americas are complemented by our National Airline (Fiji Airways) which flies to Australia, New Zealand, USA, Singapore, Hong Kong, Tuvalu, Hawaii, Christmas Island, Kiribati, Tonga, Samoa and Vanuatu.

ICT Connectivity

Fiji boasts state-of-the-art ICT infrastructure. Fiber optic connectivity and the availability of the 4G broadband cellular network enables your business to operate in a global market.

Tax Friendly Environment

Fiji has a fixed corporate tax rate of only 20%, further to this if you are listed on the South Pacific Stock Exchange your tax rate drops to 10%. There are several tax incentives, tax free zones and low import duties making Fiji a viable environment to do business.

Dynamic Human Capital

Fiji has a young, multi-cultural, vibrant and well-educated work force. With 46% of our population under the age of 25 and a literacy rate of over 90%, Fiji's Human Capital is a very strong Asset.



Investment Fiji

Who we are

Investment Fiji is the Investment and Trade Promotion Agency of the Fijian Government.

What we do

Match high-impact capital investment with Fijian businesses and opportunities through promotion and investor facilitation.

Increase the success of Fijian businesses globally.

What we can do for you

Investment Matching - Identifying the ideal fit between the benefit of Fiji and the business opportunity for the investor.

Investment Project Management - Enabling and assisting foreign and domestic investors to set up and grow through comprehensive investment facilitation and aftercare support.

Trade Development - Working with new and established exporters in upskilling and promoting their products & services overseas.

Our people

People are at the heart of everything we do. Our people shape our actions to ensure our customers succeed.



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AGRICULTURE SECTOR

Agriculture has an immense potential in Fiji, our virgin soils and tropical climatic conditions allow for myriad of opportunities, targeting the domestic, hotel industry and export markets.

1.0 SECTOR OVERVIEW

 **8.3%**

of GDP comes from Agriculture.

 **28%**

or up to **497,787** hectares of land available for agricultural purposes.


The total gross volume and value of agriculture production (crop and livestock) increased by **5.6%** and **2.9%** respectively in 2020 compared to 2019.

 **63%**

of all imported fresh produce by Fijian hotels can be farmed locally.

 **FJ\$74.4m** is spent annually by hotels on fresh produce.

 **52%** of all fresh produce sourced by hotels is imported with an approximate worth of **FJ\$38.5m**.

 **223** Crop and Livestock Products Exported to **47** countries in 2019 valued at **FJ\$234m**.

 **71,163** households are involved in farming on a commercial, semi-commercial and subsistence level.

2.0 GROWTH DRIVERS

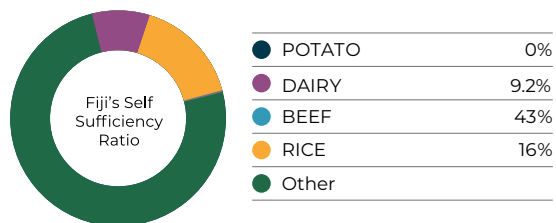
- Readily available market of more than 40 million people including the Pacific Island Nations, Australia and New Zealand.
- Existing trade agreements provides ease (pathway) of entry of agricultural commodities to partnering countries.
- Affordable agricultural land leases and farm machineries.
- Tropical Climate.
- Available Organic Certifications.
- Increasing agricultural exports.

3.0 SUB SECTORS OF INTEREST

- Cropping – farming of fruits, vegetables and root crops.
- Dry stock - beef, sheep, goat, pig and poultry farming.
- Dairy farming.

4.0 OPPORTUNITIES

- Our 864,132 residents and nearly 900,000 tourists when at peak result in a sizeable demand for food.
- Low entry cost in agriculture business when compared to other countries.
- Opportunities for foreign investors to lease or buy land.
- Organic farming to enter high-value and niche markets.
- Agro-processed and value-added products such as chips, oils, soaps and juices, processed ginger and turmeric products.
- Agri-tourism projects for nature-loving tourists.
- Imports are driven by meat, dairy, seafood and vegetables.
- Rice Farming - Fiji imported FJ\$46.2m of rice in 2020 to meet domestic consumption. Fiji's is only 16% self-sufficient in rice production.
- Potato Farming – Fiji is 0% self-sufficient in potato production and imported around FJ\$28.4million worth of potatoes in 2020.
- Dairy Farming - Fiji's dairy production averages from 6-7 million litres annually compared to domestic demand of 65 million litres.
- Livestock Farming - Fiji is producing an average of 3,017 tons of fresh beef and importing an average of 2,579 tons of fresh beef. Fiji's self-sufficiency ratio in beef production is 43%.
- Fiji Imports more than FJ\$50 million worth of sheep meat.



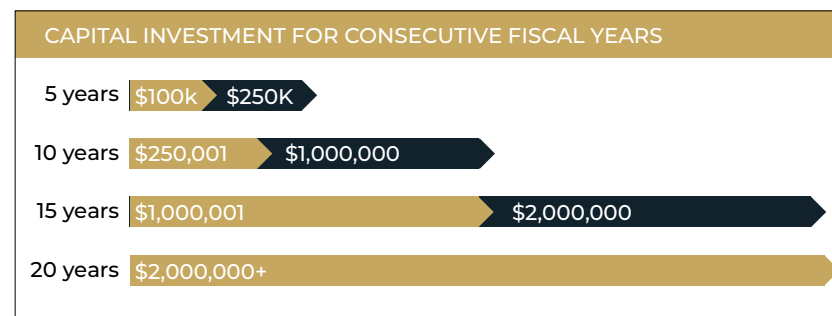
5.0 INCENTIVES

EXPORT INCOME DEDUCTION

A 60 % export income deduction is currently available to exporters. This incentive is extended till 31 December 2024. The agriculture and fisheries sector are further incentivised with a 90 percent export income deduction to support new and existing businesses to venture into agriculture exports and increase access for farm produce to international markets.

COMMERCIAL AGRICULTURE AND AGRO-PROCESSING

The income of any new activity in commercial agricultural farming and agro-processing approved and established from 1 January 2009 to 31 December 2028 shall be exempt from tax as follows:



CUSTOMS CONCESSION

- Importation of plant, machinery and equipment for initial establishment of the factory at rates of Free Fiscal, Free Import Excise and 9% VAT.
- Importation of chemical required for bio-fuel production at rates of Free Fiscal, Free Import Excise and 9% VAT.
- The importation of all agricultural items will be subject to zero Duty (specialized machinery, equipment and agricultural inputs provided that a support letter is obtained from the Ministry of Agriculture).

6.0 KEY STAKEHOLDERS

- Ministry of Agriculture
- The Food and Agriculture Organisation
- The Pacific Community (SPC) Land Resources Division
- Biosecurity Authority of Fiji (BAF)
- Fiji Cooperative Dairy Company Limited (FCDCL)
- Nature's Way Cooperative
- Investment Fiji

AUDIO VISUAL SECTOR

Fiji in itself is a natural movie studio. Deep blue seas and white sandy beaches, captivating forests and breathtaking mountains, diversified cultural sites and enchanting locations makes Fiji an ideal filming location.

1.0 SECTOR OVERVIEW


 **FJ\$138m+**

contributed to Fiji's economy in 2019.

 **107** movie productions in 2019.

 **2,700** Fijians employed in 2019.

 **300+** islands, providing a range of locations including jungles, sweeping tropical beaches, river gorges, waterfalls, villages, and lush vegetation.

 **People** - Fiji is a multilingual and multi-cultural society with English, i-Taukei and Hindi as the main languages.

 **Aerial Support** - Fiji has a range of aviation companies for aerial filming and logistics support, including Eurocopter AStars, seaplanes, and larger passenger aircraft.

Easily accessible to the rest of the world with daily international flights, stops for major cruise ships and international ports.

2.0 GROWTH DRIVERS

- Licenced Audio-Visual agents to assist in identifying locations and facilitation of permits and other clearances.
- Competitive minimum wage rates for local crew.
- State of the art communications with Southern Cross cable providing fast and high capacity connectivity.

3.0 OPPORTUNITIES

- Film productions.
- Short distance between locations within the country.
- Breathtaking, diverse locations and great tropical climate.
- 75% film tax rebate and the maximum rebate payable for each production is FJ\$15 million.
- Equipment available for hire from local production companies.

4.0 MAJOR FILM SHOT IN FIJI

- Survivor (US and Australia)
- Eco Challenge
- Koh-Lanta
- Wrecked
- The Bachelorette (US and Australia)
- Pirate Islands: The Lost Treasure of Fiji
- Love Island (US and Australia)
- 3G
- Party
- Anaconda
- Retreat to Paradise

5.0 KEY STAKEHOLDERS

- Ministry of Commerce, Trade, Tourism & Transport
- Film Fiji
- Investment Fiji

6.0 INCENTIVES

- 100% FDI - 100% foreign direct investment is allowed in the ICT sector.

FILM TAX REBATE

- 75% tax rebate on the expenditure incurred in Fiji and paid to Fiji Resident companies for goods and services.
- Eligibility – Films and Television products, as per existing Income Tax (Film-making and Audio-visual Incentives) Regulations 2016.
- Minimum spend in Fiji FJ\$250,000
- The maximum rebate payable per approved final certificate will not be more than FJ\$15 m.
- Exclusions – Where a producer has chosen to access the film tax rebate, the producer will not be able to obtain any other tax concessions under Part 2, 3 & 4 of the Income Tax (Film-making and Audio-visual Incentives) Regulations 2016.
- A 200% tax deduction will be available to companies investing in camera and other filming equipment for audio visual productions.
- Income tax holiday will be available to companies who set up production facilities including equipment, cameras, editing and post production studios.
- Income tax exemption for a period of 7 years will be available provided capital investments is more than FJ\$2m.
- Import duty exemption on raw materials, plant, machinery and equipment (including spare parts) required for the establishment of the business.

Duty concession (Concession code 302 – broadcasting and network service provider) at the rate of Free fiscal duty and Free import excise will be extended towards importation of transmission and graphic equipment and spare parts.

Fiscal duty on audio visual equipment as stipulated below, will be reduced to 0%:

- > Television cameras, digital cameras and video camera recorders;
- > Pocket-size radio cassette players; and
- > Radio receivers

ENERGY SECTOR

Fiji's energy situation is characterized primarily by high reliance on imported fuels. Therefore, the Government is committed to reduce the reliance on imported fossil fuels by incentivizing energy generation through renewable energy sources in the country.

1.0 SECTOR OVERVIEW

 **100%**

The Fiji Government is committed towards ensuring 100% renewable energy generation by 2036 and **30%** 30% reduction of carbon emissions in the energy sector by 2030.

 Around **15** power producers in Fiji.

 Grid Coverage - Urban **98%** and Rural **80%**.

 Installed generation capacity is approximately **237MW**.

2.0 GROWTH DRIVERS

- Increasing electricity demand with the rising population.
- 4% of Fiji’s population do not have access to electricity. 10% of the total population is still without proper access to electricity.
- Fiji Government’s target of 100% electricity access by 2030.
- Fiji Government’s Renewable Energy target of 100% by 2036.
- Electricity Customer Growth – 14.08% in the last 5 years and growing.

3.0 SUB SECTORS OF INTEREST

Waste-to-Energy

- Waste produced by households in Fiji breakdown:
 - biodegradable (more than 65% of the weight),
 - paper (10-15%),
 - plastic (less than 10%),
 - textiles and
 - glass
- Suva City generates 65–68 tons of waste per day, including green waste.
 - More than 80% is organic waste from vegetables, food, market waste, and fibers.
 - 16% is paper and cardboard wastes.
- Naboro landfill receives 184 tons of waste per day
 - Councils account for about 70% and
 - Waste management companies for 30%.

4.0 OPPORTUNITIES

- Untapped renewable energy resources - hydro, wind, biomass, solar, and geothermal
- Opportunities for the private sector to invest in small-scale renewable energy systems.
- Solar Projects - need for 2MW-5MW plants ideally with battery backup in locations such as Taveuni, Levuka & around Viti Levu
- Biomass Projects
 - Taveuni, Levuka & around Viti Levu
 - Naboro Waste-to-Energy
- Hydro Projects
 - Qaliwana Hydro Project
 - Waivaka Hydro Project
 - Lower Ba

5.0 INCENTIVES

BIO – FUEL PRODUCTION

Tax holiday is available to a taxpayer undertaking a new activity in processing agricultural commodities into biofuels as approved by the Commissioner from 1 January 2009 to 31 December 2028. To qualify, the taxpayer must have;

- Capital Investment from FJ\$250,000 to FJ\$1,000,000 for a period of 5 consecutive years; or
- Capital Investment from FJ\$1,000,000 to FJ\$2,000,000 for a period of 7 consecutive years; or
- Capital Investment above FJ\$2,000,000 for a period of 13 consecutive years.

- Employ 20 local employees or more for every income year.
- Duty free importation of plant, machinery and equipment for initial establishment of the factory.
- Duty free importation of chemical required for biofuel production.

The Importation of all agricultural items will be subject to zero duty (provided that a support letter is obtained from the Ministry of Agriculture).

RENEWABLE ENERGY PROJECTS AND POWER COGENERATION

5-year tax holiday is available to a taxpayer undertaking a new activity in renewable energy projects and power cogeneration as approved by the Commissioner.

ELECTRIC VEHICLES CHARGING STATIONS

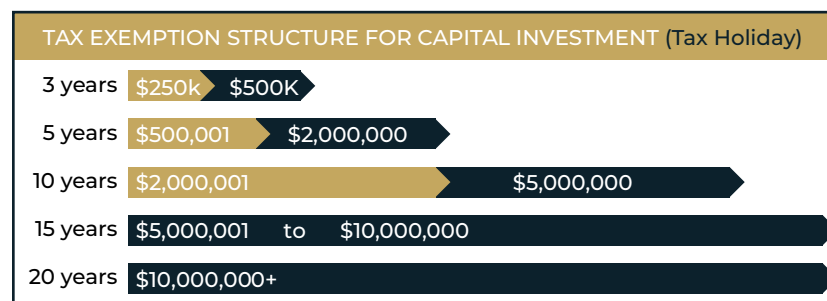
The income of any business setting up Electric Vehicle Charging Stations shall:

- be granted seven (7) years tax holiday; and
- be granted a subsidy up to a maximum of 5% of the total capital outlay incurred in the development of electric vehicle charging stations provided that the capital expenditure is not less than FJ\$100,000.
- be allowed to carry loss forward to 8 years.

Any business investing in electric buses shall be allowed a tax deduction of 55%.

RECYCLING BUSINESS

Any new investment in the recycling business will be granted a tax holiday and a duty concession package.



Customs Concession

Customs import duty exemption for the establishment of the business will be available on the importation of raw materials, machinery and equipment including spare parts.

6.0 KEY STAKEHOLDERS

- Department of Energy
- Energy Fiji Limited (EFL)
- Ministry of Economy
- Department of Environment
- Ministry of Local Government
- Investment Fiji

FISHERIES SECTOR

The fisheries industry is the third largest natural resource-based sector in the Fijian economy.

1.0 SECTOR OVERVIEW

 Fisheries sector contributes **1.8%** to GDP and **7%** of Fiji's total export earnings.

 **9,100** people employed by the sector.

The sector is classified into Offshore Fisheries, Inshore Fisheries and Aquaculture.

Commercial fishing, especially offshore tuna catches is the main contributor to the sector.

 Fiji has about **500** tilapia and prawn farmers and about **15** shrimp farmers.

The fisheries sector supports the livelihood for many people in Fiji.

2.0 GROWTH DRIVERS

- Fiji has a very large Exclusive Economic Zone, which covers 1.29 million square km of sea.
- Large stocks of marine resources such as tuna species of yellow fin, skipjack, albacore, and big eye.
- Fiji produces some of the most beautiful pearls in the world.
- The coastal waters, coastal mangroves and surrounding reefs have large stocks of fish, crabs, clams, shellfish, prawns, lobsters, etc.
- Opportunities for foreign investors to lease or buy land.
- A variety of seaweeds is available in the Fiji waters.
- Five (5) aquaculture stations to cultivate larvae for farmers by Ministry of Fisheries.
- Good supporting elements for aquaculture such as suitable climate, excellent water quality and rich land resources.
- Offshore fishing sector as a driver of Fiji's fisheries economy with its long line fleet worth around FJ\$127m annually.

3.0 SUB SECTORS OF INTEREST

- Offshore Fisheries
- Inshore Fisheries
- Aquaculture

4.0 OPPORTUNITIES

- Off-shore fishing for non-tuna species.
- Aquaculture and mariculture farming.
- FJ\$15m worth of shrimp is imported annually into Fiji.
- Seaweed farming for value-added products such as Japanese nori and cosmetic products.
- Fiji produces high value commodities that are largely destined for the Japanese and USA market in the form of fresh and chilled tuna (sashimi market) and loin fillets.
- Pearl Farming.
- Fish Processing Factories.
- Food Security Program – Aquaculture: subsidy support on a 1/3, 2/3 basis provided by Government to assist farmers to develop sustainable aquaculture farms
- Marine Tourism Activities.
- Marine Academy of science and technology: opportunity in dive academy and studies in marine biology and science.

5.0 INCENTIVES

- The Trans-shipment Levy (Fish Levy) of FJ\$450 per ton has been removed.

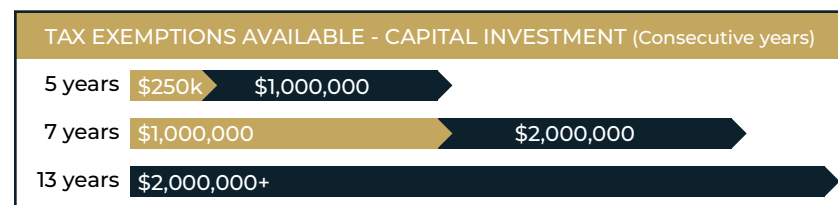
TAX FREE ZONES

This incentive is available to a newly incorporated entity engaged in a new business established between 1 January 2018 to 31 December 2028 in the following areas:

Vanua Levu – included Taveuni, Rabi, Kioa and other islands generally included for governments administrative purpose as being in the Northern Division, Rotuma, Kadavu, Levuka, Lomaiviti, Lau and Nausori-Lautoka region (from Nausori Airport side of the Rewa River

(excluding township boundary) to the Ba side of the Matawalu River.

Any company may apply to the Minister for Economy in a prescribed form for an operating licence.



Benefits under the Tax-Free Region

- Duty concession on the importation of raw materials, machinery and equipment (including parts and materials) insofar as they are required for the establishment of the business at rates of Free Fiscal, Free Import Excise and 9% VAT.
- Additional 5 years of income tax exemption is available to any company granted a license and having indigenous Fijian landowner equity of at least 25%.

Export Income Deduction

A 60% export income deduction is currently available to exporters. This incentive is extended till 31 December 2024. The agriculture and fisheries sector are further incentivized with a 90 percent export income deduction.


6.0 KEY STAKEHOLDERS


- Ministry of Fisheries
- Forum Fisheries Agency (FFA)
- Itaukei Fisheries Commission
- Investment Fiji

FORESTRY SECTOR

The forestry industry is the 2nd largest natural resource-based sector in the Fijian economy.

1.0 SECTOR OVERVIEW

 **1.1 million** hectares of forest representing **56%** of the total land mass while **60%** is native forest.


 **3.2%** contribution to GDP in 2019 (**FJ\$32.1m**).

 **FJ\$66 million** net income injected into Fiji's economy in 2020. This included export earnings of **\$76 million** and an import value of **\$9.3 million**.

Fiji is also known to have the world's largest non-native mahogany stock in the world. Hardwood plantation mainly of Mahogany

(*Swietenia macrophylla*), have been established mainly on the Eastern and Central areas of the larger islands which is over a total area of **58,978 hectares** (8% of Fiji's forest cover). The Mahogany Act also promotes the branding of Fijian Mahogany in the international markets.

Softwood plantation of Pine (*Pinus caribaea*), are established mainly in the Western Division.

 **76,171** hectares of Softwood plantation area, making up **11%** of Fiji's forest cover.

2.0 GROWTH DRIVERS

- Mahogany plantations in Fiji are a unique resource with standing forests up to 40 years old.
- The tax-free region offers tax free status and exemption on the importation of raw materials, machinery and equipment.
- Available export pathways.
- Fijian Mahogany products were among the few of Fiji’s top export commodities to continue to find welcoming markets, especially in the United States of America.

3.0 SUB SECTORS OF INTEREST

- Sustainable logging and milling of Mahogany, Pine, Raintree and Native Species.
- Value-added timber products such as furniture - potential in other mahogany value-added products, like interior and exterior furniture components, door components, cable drums and artefacts.

4.0 OPPORTUNITIES

- Value adding Coco Wood to veneer has great potential for high-valued commodities
- Teak is an upcoming high-valued hardwood timber in Fiji.
- Value-adding timber in the form of furniture & fittings, artifacts and wood carvings
- Waste wood left over from harvesting can be converted to furniture and other decorative wood items.
- Great opportunities for further plantation expansion for sandalwood.
- Potential to grow commercial agar wood.
- Fiji has potential for growth in wood-bio energy.

5.0 INCENTIVES

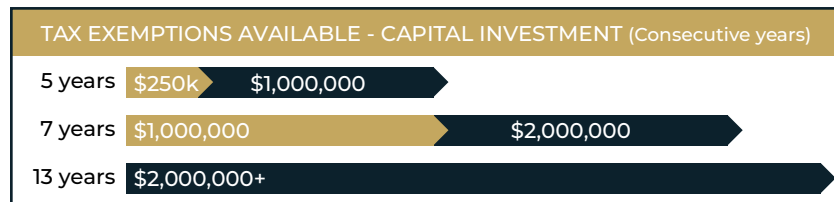
- Fijian Government tax incentives:

TAX FREE ZONES

This incentive is available to a newly incorporated entity engaged in a new business established between 1 January 2018 to 31 December 2028 in the following areas;

Vanua Levu – included Taveuni, Rabi, Kioa and other islands generally included for governments administrative purpose as being in the Northern Division, Rotuma, Kadavu, Levuka, Lomaiviti, Lau and Nausori-Lautoka region (from Nausori Airport side of the Rewa River (excluding township boundary) to the Ba side of the Matawalu River.

Any company may apply to the Minister for Economy in a prescribed form for an operating licence.



Benefits under the Tax-Free Region

- Duty concession on the importation of raw materials, machinery and equipment (including parts and materials) insofar as they are required for the establishment of the business at rates of Free Fiscal, Free Import Excise and 9% VAT.
- Additional 5 years of income tax exemption is available to any company granted a license and having indigenous Fijian landowner equity of at least 25%.


6.0 KEY STAKEHOLDERS

- Ministry of Forestry
- Ministry of Lands
- iTaukei Lands Trust Board
- Fiji Hardwood Corporation
- Fiji Pine Ltd
- Investment Fiji

HEALTH & PHARMACEUTICALS SECTOR


The Fijian Government is committed to provide access to quality health facilities necessary for good health and health care services.


1.0 SECTOR OVERVIEW


 **3** Major Divisional Hospitals.


 **18** Sub Divisional Hospitals.

 **84** Health Centers.

 **99** Nursing Station.

 **2** Specialize Hospitals – **1** Physiology and **1** Skincare Hospital.

 **3** Private Hospitals.

 **7,500** (approx) Fijians employed by the Health sector.

Privatisation of public hospitals resulting in quality healthcare facilities.

Fiji currently imports almost all pharmaceutical products.

Fiji has one pharmaceutical manufacturer.

 **FJ\$67m** (approx) - is spent on pharmaceutical products each year.

 **99.9%** of pharmaceutical products is re-exported.

 **FJ\$17.7m** (approx) is received from pharmaceutical exports each year.

2.0 GROWTH DRIVERS

- Growing population of 884,887.
- Approximately 900,000 tourists on an annual basis, needing quality healthcare.
- High rate of non-communicable diseases in the country.
- Available insurance covers.
- Fiji School of Medicine offers a range of Programs in Medicine, Health and Dentistry.
- Growing trend of Fijian medical professionals migrating to other developed countries leaves a vacuum to cater for the public health services.
- Life expectancy - male is 67.1 years and female is 73.1 years while the total life expectancy is 69.9 years.
- Vat and duty exemptions are offered on a wide range of imported health-related products.
- Extensive tax exemptions are offered for businesses to set up private hospitals with ancillary pathology and radiology laboratories.

3.0 SUB SECTORS OF INTEREST

- Private Hospital
- Ancillary medical services
- Pharmaceutical manufacturing

4.0 OPPORTUNITIES

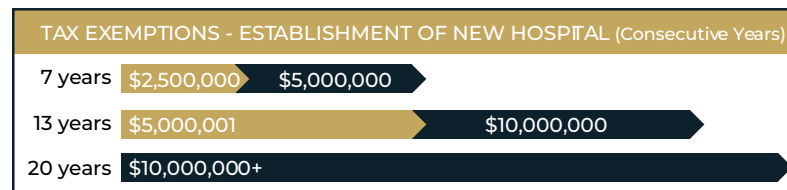
- Pharmaceutical manufacturing - Fiji is a net importer of pharmaceutical products, the market is worth approximately FJ\$65m.
- Specialist hospitals - currently most patients from Fiji and other Pacific Island countries seek specialist treatment in Australia, New Zealand or India.
- Secondary and tertiary care - Although Fiji has reasonably extensive private primary care services offered by general practitioners and pharmacies, the extent of private sector secondary/tertiary care is currently limited with only two private hospitals in Fiji.
- Medical tourism and retirement care - Fiji offers a pristine and healthy environment for after care health services.
- Medical schools, nursing and paramedical schools, and eLearning platforms.
- Lack of resources to meet the country's health care needs.
- Potential exists for pharmaceutical manufacturing plants to be set up as most products are currently imported.
- The doctor-to-patient ratio is low.
- Opportunity to expand investment in approaches to address non-communicable diseases, including nutrition, mental health and injuries, within and beyond the health sector.

5.0 INCENTIVES

- 100% FDI - 100% foreign direct investment is allowed in the Health sector.
- Fijian Government tax incentives:

PRIVATE HOSPITAL

Income tax exemption for the establishment of a new hospital based on the following capital investment levels:

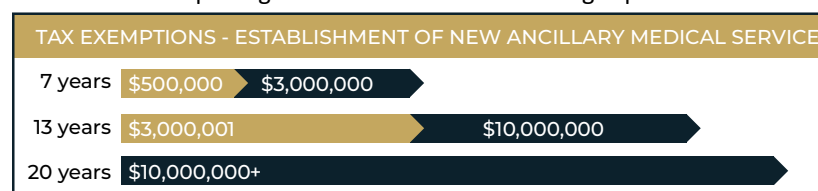


An investment allowance will be available for the refurbishment, renovation and extension of a hospital based on the following capital investment levels:

- Capital Investment from FJ\$500,000 - FJ\$1,000,000 receives a 30% tax deduction.
- Capital Investment of more than FJ\$1,000,000 receives a 60% tax deduction.

ANCILLARY MEDICAL SERVICES

Income tax exemption granted based on the following capital investment levels:

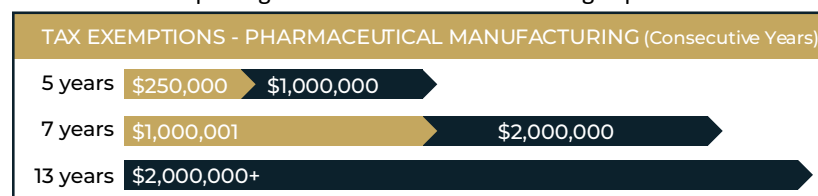


An investment allowance will be available for the refurbishment, renovation and extension of an ancillary medical service center based on the following capital investment levels:

- Capital Investment of FJ\$500,000 - FJ\$1,000,000 receives a 30% tax deduction
- Capital Investment of more than FJ\$1,000,000 receives a 60% tax deduction.

PHARMACEUTICAL MANUFACTURING

Income tax exemption granted based on the following capital investment levels:



Import duty exemption on raw materials, plant, machinery and equipment (including spare parts) required for the establishment of the business. This incentive will also be available to any existing business in the pharmaceutical manufacturing sector and the tax holiday will start from the date approval will be granted.

6.0 KEY STAKEHOLDERS

- Ministry of Health
- Fiji Pharmacy Profession Board
- Medicinal Products Board
- Pharmaceutical Body – Fiji Pharmaceutical and Biomedical Services
- Medical Practitioners Association
- Investment Fiji

ICT/BPO SECTOR

Fiji is well positioned to attract ICT investments, starting from the lower end and moving up the value chain. Fiji has managed to secure its position in attracting renowned ICT investors to locate their back offices to Fiji allowing Fiji to position itself as the hub of the Pacific.

1.0 SECTOR OVERVIEW



Hub of the Pacific. Fiji has managed to attract global BPO operations.



10% contribution to GDP (ICT and BPO sectors).

Southern Cross Cable and Tui Samoa access. The Southern Cross cable provides fast, direct and secure high capacity services between Australasia and the United States West Coast, with a landing point in Suva.



Fiji was awarded European Outsourcing Association's Offshoring Destination of the Year in 2014.



95% of the population have access to mobile broadband through the use of 3G, 4G and 4G+ technologies.



The BPO and ICT operations provide a globalized service from Fiji serving major international companies such as ANZ bank, Malaysia Airlines, Swiss International Airways, DHL Express, Vodafone, Fiji Airways, Digicel, Lebara Mobile, Anaconda and Spotlight. The BPO Council of Fiji was established to engage and assist in policy development aimed at attracting further investment in the rapidly growing sector.

2.0 GROWTH DRIVERS

- 1.24m mobile phone users.
- 586k internet users.
- 560k active social media users.
- 27.73 Mbps – average speed of mobile internet connections.
- High-quality business resources and infrastructure for the ICT sector.
- Literacy rate of 94%. Good English-speaking labour force.
- One of the highest rates of ICT penetration in the region.
- Deregulated telecommunications sector ensures value for money and access to world class ICT services.
- Fiji hosts a number of headquarters for regional and international organizations.
- Neutral-sounding accent, ideal for BPO customer service representatives
- Young workforce with very competitive labour rates
- Located strategically (GMT+12) between Asia and the USA, Fiji provides a “time-zone” business advantage.

3.0 SUB SECTORS OF INTEREST

- ICT Manufacturing
- ICT Services
- BPO Services
- KPO Services
- E-commerce

4.0 OPPORTUNITIES

- Business Process Outsourcing. Some reputable international BPO companies are already operating in Fiji.
- Mobile applications and value-adding service providers.
- Software-development.
- Content providers and producers for the Fijian Government’s Digital Television Platform deployed throughout the country.
- Mobile security and payment applications and software applications are increasingly in demand.
- Initiatives such as DigitalFIJI and BizFIJI, which are part of the Fijian Government’s digital transformational agenda, is empowering Fijians to be connected to the Fijian Governments e-services, a step forward from the traditional practice of providing assistance.

5.0 INCENTIVES

- 100% FDI - 100% foreign direct investment is allowed in the ICT sector

INFORMATION COMMUNICATION TECHNOLOGY (ICT)

The income of any new operator who is granted a license from 1 January 2009 to set up an ICT business to be exempt from tax for a period of 20 years.

Eligibility - software development businesses, customer contact centres, engineering and

design, research and development, animation and content creation, distance learning, market research, travel services, finance and accounting services, human resource services, legal procedure, compliance and risk services and other administrative services (e.g., purchasing, etc.), but does not include an internet café or any retail or wholesale of information technology products or the repair, sale or service of any such products.

RESEARCH AND DEVELOPMENT INCENTIVE

A 250% tax deduction is applicable on any expenditure incurred by an eligible ICT company investing in Research and Development.

ICT ACCREDITED TRAINING INSTITUTIONS

The income of any new operator setting up internationally accredited ICT training institutions who is granted a license from 1 January 2015 to be exempt from tax for a period of 20 years.

APPLICATION DESIGN AND SOFTWARE DEVELOPMENT

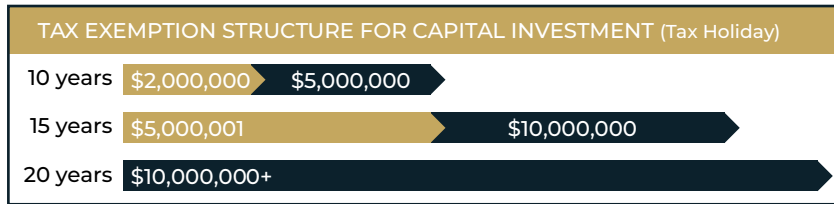
The income of any new operator setting up ICT businesses involved in Application designing and Software development who is granted a license from 1 January 2015 to be exempt from tax for a period of 20 years:

- Duty free and VAT exemption on the importation of all items required for the establishment of the business.

SMALL ICT START-UPS

- For small ICT start-ups, a 150% deduction on all start-up costs will be made available.
- Incentives aimed at developing the Business Processing Outsourcing (BPO) sector include 10-year tax holidays for investments below FJ\$5 million, to a maximum of 20 years tax holidays for investments above \$10 million, as well as import duty exemptions for machinery, equipment and spare parts.
- Fiji’s 20-year National Development Plan targets a 100 percent wired and wireless network coverage in Fiji and access to digital connectivity, a 70 percent household penetration of broadband and 60 percent of individuals using the internet by 2021. In the government’s 2021-2020 Budget,
- Business Process Outsourcing (BPO)– To support investment in BPOs, a 20-year tax holiday and customs duty exemption are currently available for businesses engaged in software development, call centres, customer contact centres, engineering and design, research and development, animation and content creation, distance learning, market research, travel services, finance and accounting services, human resource services, compliance and provision of risk administration services.
- To incentivise investment in buildings and other infrastructure development for the BPO sector, including costs incurred to meet the specific requirement of BPO operators, a new income tax incentive package will be offered to investors with the condition that 90 percent of the income should be generated from BPO services.

Income tax exemption will be provided as follows:



- A further 25-year income tax holiday and duty concession will be provided for development of an Information and Communications Technology (ICT) park, exclusively available to the Amalgamated Telecom Holdings and its subsidiaries in Suva in a specifically dedicated area approved by the Government.
- To attract investment in ICT cable landing and infrastructure, a 30-year tax holiday with duty concession package is available for investment above \$40 million for any company to land network cable (submarine cable) and undertake associated infrastructure development in Fiji.
- ICT Business Park

Any new investment in an ICT Park (including data storage services) will be granted a tax holiday and a duty concession package.



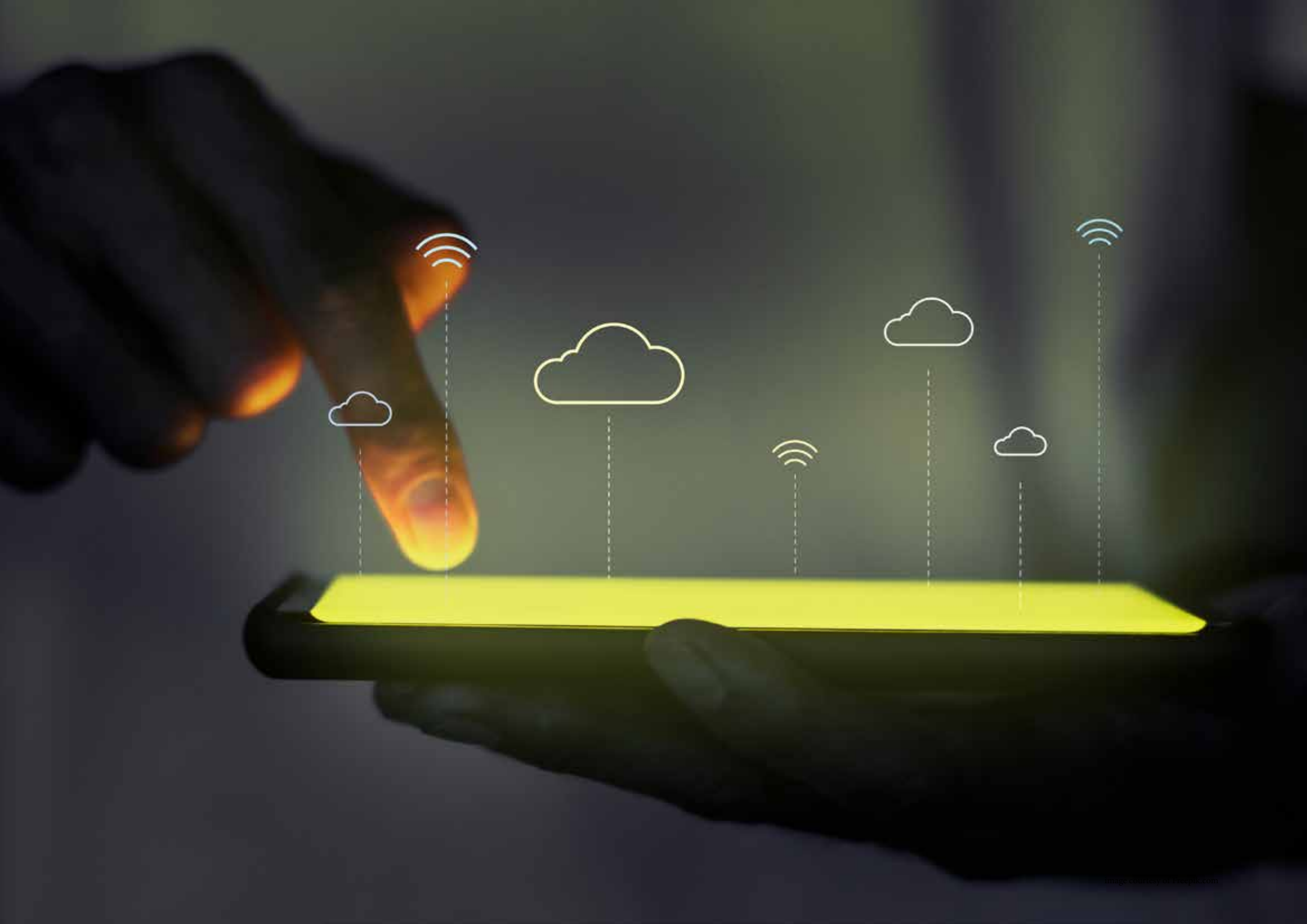
- Telecom Fiji Limited
- Fiji International Telecommunications Limited
- Inkk Mobile
- Datec Fiji
- Mindpearl
- Packleader Pacific
- Pacific Centrecom
- Recoveries Corporation Fiji
- ANZ

6.0 KEY STAKEHOLDERS

- Telecommunications Authority of Fiji
- Department of Communications
- BPO Council of Fiji
- Investment Fiji

7.0 KEY PLAYERS IN FIJI


- Vodafone
- Digicel




MANUFACTURING SECTOR


Manufacturing has an immense potential in Fiji. The Fijian government is building a sustainable and globally competitive manufacturing sector through targeted assistance and a sound enabling environment for the private sector.

1.0 SECTOR OVERVIEW

 **11.7%** contribution to GDP in 2020.

 Export earnings from manufactured products contribute **4 - 5%** to total domestic exports.

 **24,300** (approx) Fijians employed.

 The Fijian Trade Policy Framework articulates measures to provide greater support to manufacturers of all industries by way of securing market access, value addition promotion, trade facilitation, trade promotion, information sharing and capacity building.

2.0 GROWTH DRIVERS

- Strong domestic demand with 400 hotels in Fiji with almost 900,000 tourists yearly
- Fijian Made and Buy Fijian Campaign is the government initiative to buy locally manufactured products.
- Hub of the Pacific – Ease of exporting Fijian products.
- Near-shore, cost effective alternative to Australia and New Zealand production.
- Good English-speaking labour force with 99% literacy rate.
- Premium award-winning brands.
- Fiji is signatory to various trade agreements allowing better market access.

3.0 SUB SECTORS OF INTEREST

- Textiles, Garment & Footwear
- Agro-processed products
- Pharmaceuticals
- Construction materials
- Beverages (Mineral water)
- Cosmetics

4.0 OPPORTUNITIES

- Agro processing
- Timber and wood processing
- Fish processing
- Manufacture and supply building and construction materials to the Pacific Islands.
- Beverages - Mineral water bottling and other premium tropical juices.
- Cosmetics - creating premium products for niche markets.
- Premium, short-run manufactured products for niche markets.
- Textiles, garments & footwear manufacturing.
- Pharmaceutical manufacturing.
- Opportunity to produce natural and organic certified products.

5.0 INCENTIVES

COMMERCIAL AGRICULTURE AND AGRO-PROCESSING

The income of any new activity in commercial agricultural farming and agro-processing approved and established from 1 January 2009 to 31 December 2028 shall be exempt from tax as follows:

- Capital investment from FJ\$100,000 to FJ\$250,000 for a period of 5 consecutive fiscal years; or
- Capital investments from FJ\$250,001 to FJ\$1,000,000 for a period of 10 consecutive fiscal years; or
- Capital investment from FJ\$1,000,001 to FJ\$2,000,000 for a period of 15 consecutive fiscal years; or
- Capital investment above FJ\$2,000,000 for a period of 20 consecutive fiscal years.

CUSTOMS CONCESSION

- Importation of plant, machinery and equipment for initial establishment of the factory at rates of Free Fiscal, Free Import Excise and 9% VAT.
- Importation of chemical required for bio-fuel production at rates of Free Fiscal, Free Import Excise and 9% VAT.

- The importation of all agricultural items will be subject to zero Duty (specialized machinery, equipment and agricultural inputs provided that a support letter is obtained from the Ministry of Agriculture).

MANUFACTURE OF PHARMACEUTICAL PRODUCTS INVESTMENT PACKAGE

This incentive is specifically designed to assist companies engaged in the process of refining, manipulating and mixing a pharmaceutical product; excluding the process carried out by a pharmacist and including an existing manufacture of pharmaceutical products.

Tax Benefit

Income of the approved person/company will be exempt from tax as follows:

TAX EXEMPTION STRUCTURE FOR CAPITAL INVESTMENT (Consecutive Years)	
5 years	\$250,000 → \$1,000,000
7 years	\$1,000,001 → \$2,000,000
13 years	\$2,000,001+

Conditions

- Applicable to companies engaged in the development of a building for the manufacture of pharmaceutical products.
- Project with capital investment (including the cost of support infrastructure and consultant fees but excluding the cost of land) over FJ\$250,000.
- The project commences on or after 1 August 2019 and the building is completed within 2 years from the date of the provisional approval.
- The company should have a valid approval to manufacture pharmaceutical products from Fiji Pharmacy Board.

Customs Concession

Companies or entities engaged in the manufacture of pharmaceutical products are eligible for duty concessions under Code 294. The eligible items include:

- Ethanol at a rate of Free Fiscal Duty, Free Import Excise and 9% VAT;
- All raw materials used to manufacture approved pharmaceutical products at a rate of Free Fiscal Duty, Free Import Excise and 9% VAT; and
- Machinery equipment and accessories used in the manufacture of pharmaceutical products at a rate of Free Fiscal Duty, Free Import Excise and 9% VAT.

Legislative Provision

Part 2, Income Tax (Manufacture of Pharmaceutical Products Investment Package) Regulations 2019.


6.0 KEY STAKEHOLDERS

- Ministry of Health
- Textile, Clothing & Footwear Council of Fiji
- Fiji Pharmacy Profession Board
- Medicinal Products Board
- Pharmaceutical Body – Fiji Pharmaceutical and Biomedical Services
- Investment Fiji


MINING & GROUNDWATER SECTOR


The geographical and geological setting of Fiji has attracted multinational exploration companies to invest and successfully prospect for mineral deposits including gold and mineral water.

1.0 SECTOR OVERVIEW

 **FJ\$134m** - 2020 Gold Export recorded.


 **FJ\$222m** - 2020 Mineral Water Export recorded.

 Mineral water is exported to over **40** countries.

 **85+** years of consistent gold exports.

 **53** companies exploring potential mineral deposits on land covering a total area of **746,877.07** hectares.

The total area explored on land is **320,484.12** Ha and **294,800** Ha is explored offshore on the North Fiji Basin along the Triple Junction setting.

 High prospective areas of the regional geological settings generate **41** special prospecting licenses that are viable for sustainable exploitation that is driven with the changes in commodity prices.

 The current active gold mine has a mineral resource volume of **4.1 million** ounces of gold with current mineral reserve of **750,000** ounces of gold, which has been producing for **85** years.

 **2** current projects have been granted mining leases with mine life of **21** years which will enhance the push for developments on the other high-grade prospects in the region.

2.0 GROWTH DRIVERS

- Pure artesian springs identified throughout Fiji.
- Competitive labour rates.
- Competitive tax rates.
- With the increasing of global conscience for renewable energy, a number of international companies are applying for rights to explore for geothermal resources.
- The geographical and geological setting of Fiji at the edge of the Indo-Australian plate has attracted multinational exploration companies.
- The success of water exports has further given confidence to entrepreneurs to develop bottling plants indicating market growth potential for groundwater from Fiji.
- Exploration licenses within Fiji are granted for gold, base metals, bauxite, limestone/ marble, aggregate, petroleum and natural gas, and geothermal heat.
- Emerging technologies for offshore or undersea mining encourage a new age of mineral exploration and production-minerals from the sea.

Fiji has been a major exporter of gold for the past 75 years with production being the mainstay of the mineral industry in the country. Moreover, the mineral commodity exports include:

- Silver
- Manganese
- Base metals (Copper, Zinc, etc.)
- Industrial minerals (marble, limestone, aggregate, etc.)
- Phosphate
- Deep sea minerals, including nickel, cobalt, copper and manganese
- Currently Fiji has eight active mining leases
- 31 exploration licenses in Fiji.

3.0 SUB SECTORS OF INTEREST

- Groundwater
- Bauxite
- Gold
- Other Minerals

4.0 OPPORTUNITIES

- Consistent exporter of minerals, primarily gold for close to 85 years now.
- The geographical and geological setting of Fiji at the edge of the Indo- Australian plate and current commodity prices (like gold) has attracted multinational exploration companies.
- The success of water exports has further given confidence to entrepreneurs to develop bottling plants indicating market growth potential for groundwater from Fiji.
- With the increasing global conscience for green productivity and renewable energy, the sector is primed for further growth with a number of international companies applying for rights to explore for geothermal resources.
- Emerging technologies for offshore or undersea mining, with companies' actively lobbying government for opportunities to pioneer a new age of mineral exploration and production-minerals from the sea.

5.0 INCENTIVES

- 100% FDI - 100% foreign direct investment is allowed in the Mining & Groundwater sector

TAX FREE ZONES

This incentive is available to a newly incorporated entity engaged in a new business established between 1 January 2018 to 31 December 2028 in the following areas;

Vanua Levu – included Taveuni, Rabi, Kioa and other islands generally included for governments administrative purpose as being in the Northern Division, Rotuma, Kadavu, Levuka, Lomaiviti, Lau and Nausori-Lautoka region (from Nausori Airport side of the Rewa River (excluding township boundary) to the Ba side of the Matawalu River. Any company may apply to the Minister for Economy in a prescribed form for an operating licence.

Tax Exemptions Available

The income tax exemption is as follows;

TAX EXEMPTION STRUCTURE FOR CAPITAL INVESTMENT (Consecutive Years)	
5 years	\$250,000 → \$1,000,000
7 years	\$1,000,001 → \$2,000,000
13 years	\$2,000,001+

Benefits under the Tax-Free Region

- Duty concession on the importation of raw materials, machinery and equipment (including parts and materials) insofar as they are required for the establishment of the business at rates of Free Fiscal, Free Import Excise and 9% VAT.

5.0 KEY STAKEHOLDERS

- Department of Mineral Resources
- Department of Lands
- iTaukei Lands Trust Board
- Department of Environment
- Investment Fiji

TOURISM SECTOR

Fiji's renowned culture of hospitality and resourcefulness delivers exceptional value for investors. There are many examples of commercial success resulting from investment ventures by international partners.

1.0 SECTOR OVERVIEW



Ranked one of the safest places to travel to when borders reopen by Tourlane's Head of Safety Johann Jones.



Ranked the **24th** Best Tourist Destinations to go to in 2018 by New York Times.



34% Contribution to GDP in 2019.



26.3% Contribution to employment in 2019.



FJ\$2,065.4m
Total Earnings in 2019.



FJ\$212.15m foreign proposed investment in Tourism Sector in 2019.



30 foreign proposed tourism investment projects in 2019.



894,389 visitor arrivals in 2019.



25,000+ hotel beds.



Capacity to accommodate over **38,000** visitors per night.

2.0 GROWTH DRIVERS

- Visa-less entry for tourists from over 110 countries.
- Sports Tourism - International-standard sporting facilities.
- Medical Tourism - Affordable treatment with quality healthcare infrastructure.
- Technological Evolution - With internet and mobile phones, it has never been easier to find the best hotels in Fiji to suit the needs of each traveler.
- Foreign films boosting Fiji's popularity.
- In total Fiji's national carrier flies to 25 destinations (incl. code sharing routes).
- Good English-Speaking labour force with 94% literacy rate.
- Duty concessions are available for building materials, furnishings and fittings and heavy plant and machinery

3.0 SUB SECTORS OF INTEREST

- Medical Tourism
- Sports Tourism
- Agri Tourism
- Education Tourism

4.0 OPPORTUNITIES

- Tourism Areas areas such as Vanua Levu, Suncoast and outer islands have been identified as higher yielding by visitation.
- There are gaps in the accommodation sector note the need for higher end accommodation types such as upscale boutiques and eco-friendly resorts.
- Attractions/Tours – In order to enhance visitor experience, there is a need for necessary investment in tourist attractions such as Culture and Heritage.
- Activities – Water and land-based activities are common amongst tourists visiting Fiji.
- Retail – Investment in high end retail shopping that looks at the development and enhancement of Fijian Made products to ensure an immersive visitor experience.
- Supporting Infrastructure - Essential services and infrastructure is needed to be able to accommodate the increased demand and ensure all areas are accessible, especially outer islands
- Medical Tourism – An opportunity to provide full tertiary care services to locals and the Pacific.
- Sports tourism - Sporting events have been identified as a major contributor to visitor arrivals globally. Investing in sports tourism facilities is also an opportunity to target international sporting clubs at the end of season trips.
- Education tourism – Opportunity to provide International accredited courses/trainings including education cruises and vacations.
- Available large parcels of land provides an opportunity to invest in agritourism projects.

5.0 INCENTIVES

STANDARD ALLOWANCE

This incentive is specifically designed to assist construction of new hotels, renovation and refurbishment of existing hotels or integrated tourism development.

Tax Benefit

Investment allowance of 50% of total capital expenditure is allowed as a deduction.

Conditions

- Approved hotels shall commence construction of the project within two years from the date the provisional approval was granted.
- Investment Allowance can only be written-off against the income of the hotel business or income from the hotel premises.
- There should not be any shift of tax revenue to other countries.
- The Hotel Investment Incentive Package will be applicable from 1 April, 2020 to 31 December 2022.

Legislative Provision

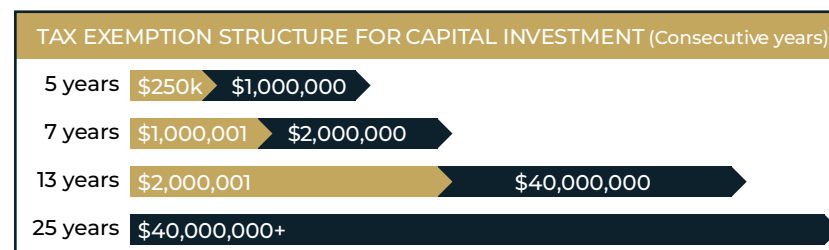
Part 2, Income Tax (Hotel Investment Incentives) Regulations 2016

SHORT LIFE INVESTMENT PACKAGE

This incentive is designed to assist new projects relating to the construction of hotels and integrated tourism development.

Tax Benefit

The income of any approved new hotel will be exempted from tax as follows:



- Approved companies under the SLIP incentive are eligible for duty concession under Code 244 of the Customs Tariff on all capital goods (including capital equipment, plant & machinery including building materials, furnishings and fittings, room amenities, kitchen and dining room equipment and utensils and specialized water sports equipment) not available in Fiji.

Conditions

- For capital investments above \$250,000 where the construction commences on or after 1 April 2020, the approved project shall be completed within 24 months from the date the provisional approval was granted.
- Short Life Investment Package (SLIP) Incentives is available for retirement facilities, hospital and resorts.
- SLIP incentives is also available for NEW apartments with a minimum capital investment of \$7,000,000 provided the length of stay is not more than 6 months.

Extended Short Life Investment Package (SLIP) include renovations and refurbishments of existing hotels or resorts:

- 5 year tax holiday for investments more than \$2,000,000. The incentive will be available effective from 1 August 2021 until 31 December 2022. This incentive can be claimed only once.

Legislative Provision

Part 3, Income Tax (Hotel Investment Incentives) Regulations 2016.

OTHER INCENTIVES FOR THE TOURISM INDUSTRY

Exempt Income – Backpacker Operators

In accordance with Part 9, Income Tax (Exempt Income) Regulations 2016, locally owned backpacker operators are exempt from income tax provided their annual gross turnover is not exceeding FJ\$1m.

DUTY CONCESSIONS

Hotels and Resorts

In accordance with Code 235 to Part 3 of the Customs Tariff, Hotels and Resorts are eligible for duty concessions for the following:

1. Building materials, furnishings and fittings, equipment including front office equipment, room amenities, kitchen and dining room equipment and utensils, which are not manufactured and available in Fiji for goods that have a fiscal duty of more than 10% can qualify at a rate of 5% Fiscal Duty, Free Import Excise and 9% VAT.
2. Building materials, furnishings and fittings, equipment including front office equipment, room amenities, kitchen and dining room equipment and utensils, which are not manufactured and available in Fiji for goods that have a fiscal duty of more than 5% can qualify at a rate of 3% Fiscal Duty, Free Import Excise and 9% VAT.
3. Heavy plant and machinery for project development work provided such plant and machinery is re-exported after completion of the project at a rate of Free Fiscal Duty, Free Import Excise and 9% VAT.

4. Duty free importation for all hotels and resorts will be available from 1 August 2021 until 31 December 2022. 5% ECAL will also be waived on all imports.

Jet Skis

In accordance with Code 270 to Part 3 of the Customs Tariff, approved companies registered to operate water sports related businesses and other tourism related activities are eligible for duty concession for jet skis at a rate of 5% Fiscal Duty, Free Import Excise and 9% VAT.

Retirement Village Incentives

Effective 1 August 2019, the following concessions are available to a company constructing a new retirement village with capital investment of at least FJD 250,000 (effective 1 August 2018; previously FJD \$500,000):

Exemption from Corporate income tax for a period of five, seven, or 13 years, depending on the investment level.

Duty-free entry of certain capital equipment, plant, and machinery, upon receiving provisional approval from the Minister.

5.0 KEY STAKEHOLDERS

- Ministry of Commerce, Trade, Tourism & Transport
- Tourism Fiji
- Fiji Hotel & Tourism Association
- Investment Fiji

6.0 KEY HOTEL BRANDS IN FIJI

- InterContinental Hotels Group (IHG)
- Accor Hotels
- Marriot International
- Hilton Worldwide
- Wyndham Hotel Group
- Outrigger Hotels
- Radisson Hotel Group
- Warwick Hotels & Resorts
- Shangri-La



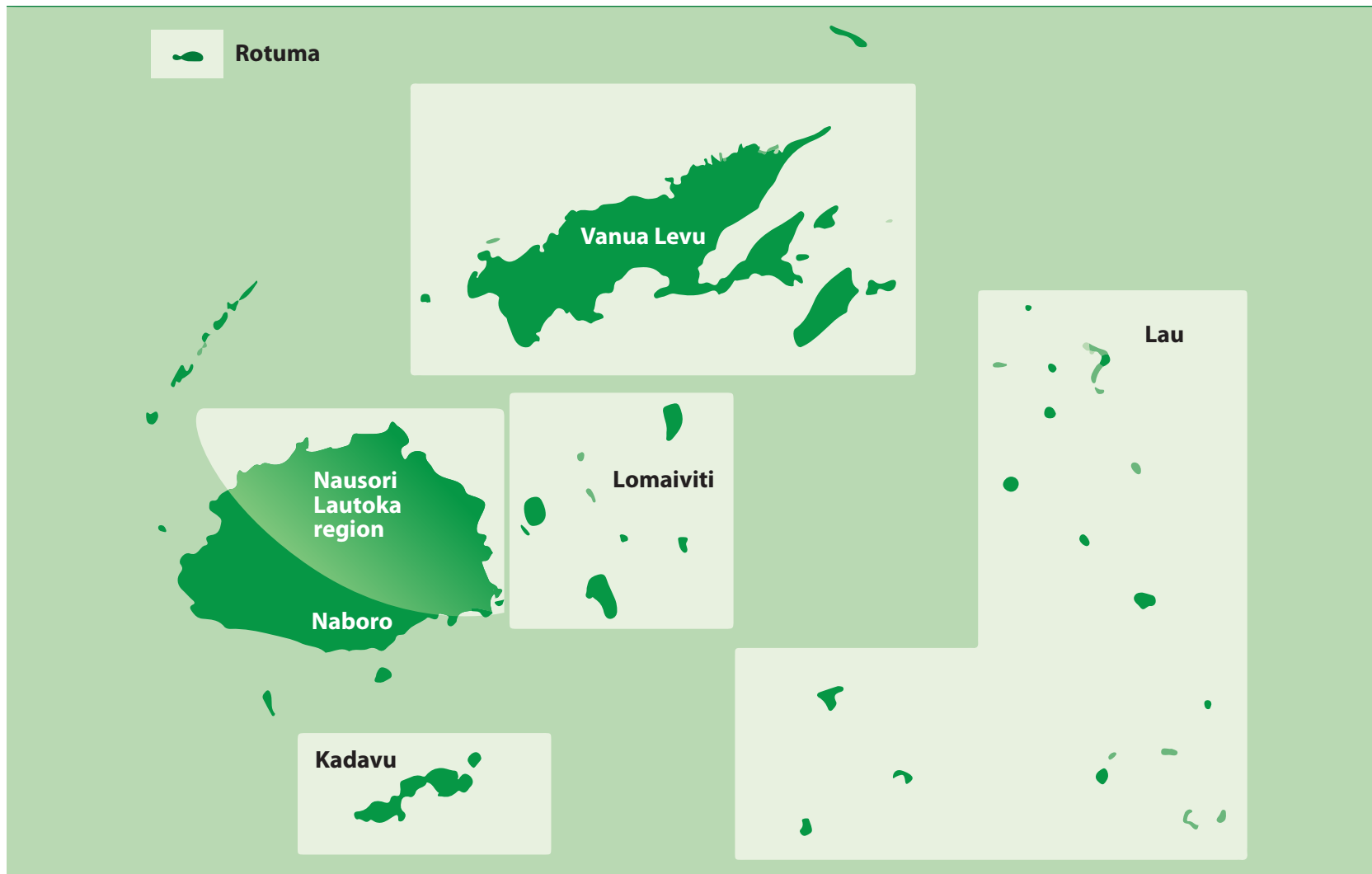
TAX FREE ZONES

This incentive is available to a newly incorporated entity engaged in a new business established between 1 January 2018 to 31 December 2028.

Any company may apply to the Minister for Economy in a prescribed form for an operating license.

Areas that qualify for this incentive:

Vanua Levu – included Taveuni, Rabi, Kioa and other islands generally included for governments administrative purpose as being in the Northern Division, Rotuma, Kadavu, Levuka, Lomaiviti, Lau and Nausori-Lautoka region (from Nausori Airport side of the Rewa River (excluding township boundary) to the Ba side of the Matawalu River).







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