

KOOKA

Investment **Fiji**

SECTOR PROFILE

MANUFACTURING



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.

One of the most thriving sectors within Fiji's growing economy is the manufacturing sector. This sector includes textiles, garments, footwear, sugar, tobacco, food processing, beverages (including mineral water) and wood based industries. Value addition opportunities are also being promoted by the Fijian Government to all sectors for export purposes. For this purpose, Government offers good geological potential, transparent fiscal policies, political stability and a sound regulatory environment.

Manufacturing is a major sector in the economy, having contributed an average of 12.3 percent of GDP in 2017. The sector was forecasted to grow by 4.2% driven by higher manufacturing of food, mineral water, dairy products, poultry & meat

and the preserving of fish. Export earnings from from manufactured products contribute 6 - 7% to total domestic exports. A few of the notable Fijian Made products contributing to this increase are Pure Fiji, Fiji Water, and Pacific Green Furniture. 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 - all with the aim of ensuring that the manufacturing sector contribution to GDP reaches 20% by 2020.

Government also recognises the importance of certifying Fiji timber produced from sustainably managed and legally operated operations in maintaining access to export markets. With assistance from Government, Fiji has registered its own "Fiji Pure Mahogany" brand in 22 countries and associated certification process for its unique and sustainable mahogany resource.

The "Fijian Made and Buy Fijian Campaign" was initiated by the Fijian Government in 2009 primarily to promote and raise the profile of Fijian made products and produce, both domestically and internationally through a national branding strategy. The focus has largely been on manufactured items, such as food (animal & vegetable products); clothing and wood made items such as furniture and handicrafts. This initiative supports Government's import substitution policy aimed at promoting production of items which are heavily imported but can be easily produced or grown in the country.





OPPORTUNITIES

- Fiji offers a 'near source', cost effective alternative to Australia and New Zealand production and is also on a similar time zone to both countries.
- Opportunities for creating premium products for niche markets.
- Agricultural commodities make up 8% of GDP and account for around 17.2% of domestic exports. Major opportunities exist in this industry by way of manufacturing of organic certified products, including coconut and fruit products and nutraceuticals which are in high demand from overseas markets.
- Fiji is also a flexible and local alternative to China and other volume sources.
- Good English-speaking labour force as Fiji's literacy rate is around 94%.
- Duty exemption on all raw materials imported for manufacturing and later exported.
- Fiji is the center of trade in the Pacific and has transformed into a hub for global communication and transportation routes.
- Availability of factories, land and buildings at reasonable rates.
- Fiji is signatory to various trade agreements which allows for better market access and provides a conducive investment climate and opportunities with other countries.
- There is also increasing business need for warehousing and storage facilities



INCENTIVES

COMMERCIAL AGRICULTURE & AGROPROCESSING

The income of any new activity in commercial agricultural farming and agro-processing approved and established from 1 January 2015 to 31 December 2028 shall be exempt from tax as follows:

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

PHARMACEUTICAL MANUFACTURING

The income of businesses investing in pharmaceutical manufacturing shall be exempt from tax as follows:

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

Import duty exemption on raw materials, plant, machinery and equipment (including spare parts) required for the establishment of the business



WHY INVEST IN FIJI?

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. Fiji offers a compelling investment proposition and has a stable political environment that encourages economic growth and development. Continued investment in infrastructure, education and training have implications not only for the attractiveness of Fiji as a location to investors, but also for the quality of inward investment. Investment Fiji is witnessing a growing interest from large multinationals.

Economic stability is essential for attracting significant inward investment; with Fiji having both low levels of inflation and positive GDP growth

since 2010. There has been a sharp rise in confidence of the domestic private sector and foreign investors with new bank lending for investment purposes rising consistently. Fiji is also the regions foremost trading hub with excellent shipping routes across the Pacific Islands. Fiji has \$7 billion worth of road infrastructure and 1,200 bridges, 47 jetties, 5 commercial ports, 25 local and 2 international airports.

Fiji has a business friendly tax structure that supports innovation and investment with 20% corporate tax and a lower rate of 10% for companies listed on the South Pacific Stock Exchange. The Fijian Government has announced a number of incentives and pro-growth policies to attract investments and encourage economic growth that is stable and sustainable. Government plans to increase per capita income by fourfold over the next 20 years.

The continuous enhancement of infrastructure, growth of our tourism industry, advantages of a young population, a first class English-speaking workforce, natural flair of services, conducive business environment and low entry costs are key ingredients of Fiji's continued success.

INVESTMENT FIJI

Investment Fiji was established as the Economic Development Board (EDB) in 1980 and is guided by the Foreign Investment Act. A statutory organization, Investment Fiji operates independently as the marketing arm of the Fiji Government, providing services and assistance to promote, and stimulate investments and exports. As such, Investment Fiji carries out three primary roles, Investment Promotion, Investment Facilitation and Export Promotion.

The Investment team provides in depth market intelligence, identifies potential investment projects and assists investors and delegations by arranging suitable meetings and introductions - in addition to promoting Trade and Investment opportunities overseas.

The purpose of the Investment Facilitation team is to provide post-establishment after-care facilitation services enabling and assisting both foreign and local Investors in establishing their business and providing information, support and assistance during the growth phases - and through to developmental support to retain investment, encourage follow-on investment and achieve greater economic impact.

The purpose of our Trade and Export team is to increase exports in general, but particularly of entities, whose products and services add value, allow for import substitution and contribute to employment.



POSITIVE
ECONOMIC GROWTH SINCE 2010



94%
LITERACY RATE



40 & UNDER
69% OF TOTAL POPULATION



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