

FIJI

Gateway to the South Pacific

Happy talking business

One of the South Pacific’s wealthiest island nations, Fiji is throwing open its doors to Japanese investors as it looks to grow its reputation as a major investment hub.

Blessed with many natural resources, and large agricultural and forestry sectors, Fiji has enjoyed friendly and cooperative relations with Japan since they first established diplomatic relations in 1970.

Fiji has recorded continued export-led economic growth over the past few years, with its key export products being sugar, gold, garments and textiles. These products are exported across the area through a series of regional trade agreements.

The country is the region’s leading tourist destination, with an excellent infrastructure and improving road network supported by a modern telecommunications system and high standards of education, and health care.

However, since a military coup in 2006, its economic growth has stalled slightly, due to its two major trading partners, Australia and New Zealand, not recognizing its interim government.

While such political matters have not adversely affected the growing tourism trade, they have forced the administration to look further afield for trade partners in alternative markets such as Japan, China, South Korea and India.

Such diversification is helping the paradise island to weather the global economic storm. Analysts expected inflation to reach 6 percent in 2008, up from 4.8 percent in 2007, and current levels of debt need to be reduced.

With growing numbers of visitors from Asia, there is plenty of

development work and economic progress being made, with the majority of Fiji’s 840,000 citizens benefiting from higher living standards and new technology.

Japanese businesses are among the many foreign companies investing in the country, with those investment levels set to rise further as the Fiji Islands Trade & Investment Bureau (FTIB) continues to promote its benefits overseas.

Often referred to as the “Gateway to the South Pacific,” Fiji is in close contact with various promotional foreign-based trade bodies such as the Japan External Trade Organization (JETRO).

Government ministers in Suva, the capital of the island nation, believe there is an abundance of opportunities for Japanese investors in areas such as ICT, manufacturing, minerals, fisheries, agriculture and tourism.

“To place our economy on a path for higher growth, we are looking at reforms and restructuring, as well as measures to restore confidence in our economy,” explains Fijian Prime Minister Commodore Josaia Voreqe Bainimarama.

“We have already deregulated the telecommunications sector, and the current bilateral, regional and multilateral trading agreements offer Fiji a great many benefits and opportunities in terms of increased access to foreign markets.

“Private-sector investment in Fiji is encouraged. There are many opportunities for investment here, especially in agro-

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Commodore Josaia Voreqe Bainimarama, Prime Minister

“We have always enjoyed connectivity to the global market through diverse routing, cable and satellites.”

Sakaraia Tuilakepa, CEO FINTEL



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based industries, tourism and manufacturing. We particularly encourage environmentally friendly, energy-efficient ventures.”

Fiji’s telecommunications sector has been one of the main beneficiaries of recent public and private investment, with satellite-based technology and fiber-optic networks providing improved Internet access to rural areas.

Substantial investment in the sector is led by telecommunications company FINTEL — a private enterprise owned by the Fijian government and U.K.-based firm Cable & Wireless plc. It is the country’s sole licensed international carrier through an agreement with national network operator Telecom Fiji Ltd.

The firm offers a wide and cost-effective range of voice, data, Internet and video services, and its customers benefit from the new state-of-the-art Fiber Optic Southern Cross Cable Network.

Access to the global telecommunications network is provided through a combination of

direct circuits and utilization of a group of overseas centers as transit switching points.

FINTEL CEO Sakaraia Tuilakepa says: “We were given a privileged position — in terms of being chosen as the gateway provider until July 2009 — and have always enjoyed connectivity to the global market through diverse routing, cable and satellites.

“The real issue is how FINTEL can best make a contribution to the Fijian economy. ICT has become a primary focus and Fiji is very proud to have just established its first ICT organization.

“The economic driver of the government is to bring in investment from overseas. We want to attract investors by offering prices that are reasonable to them.”

Established in 1980, the FTIB is the independent agency charged with the promotion of new business and investment opportunities across the archipelago.

Acting as a liaison between the private sector and government bodies, the FTIB provides a range of services to promote inward investment and development, boost exports and create new employment opportunities.

The ambitious and forward-looking trade body aims to stimulate the development of



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new and existing industries by facilitating their establishment, expansion and diversification.

One such success story is the Kalabo Tax-Free Zone, which was built in 1997 with \$10 million of European Union funding. It comprises several factories and warehouses for light and medium manufacturing operations, and provides jobs for up to 1,500 locals.

“Japan continues to support Fiji, and improve existing bilateral relations through technical help and training.”

Francis Narayan, Chairman FTIB

The 20-hectare site is being marketed by the FTIB as an ICT Park with companies involved in Internet provision or operations, software development, or call centers, able to take advantage of various tax-free benefits by setting up hi-tech offices.

FTIB Chairman Francis Narayan explains: “The Kalabo Tax-Free Zone has been declared an ICT Economic Free Zone. The existing facilities have the capability to deliver as per the requirements of the ICT investors.”

Narayan hopes ambitious



APOLOGY: In its Ethiopia report published 10.1.2009, Panorama Reports inadvertently printed a picture of Sufian Ahmed, Minister, Ministry of Finance & Economic Development in place of MEKONNEN MANYAZEWA, State Minister, Ministry of Finance & Economic Development (pictured). We apologize unreservedly for this oversight.

Japanese firms will be among the first ICT companies to base themselves in the business park, with his organization helping to provide guidance and advice.

successful sectors. In 2007, visitor arrivals from Asia jumped by more than 20 percent from the previous year.

Fiji Ports Corporation Ltd. is a wholly owned government body responsible for developing activities at the nation’s ports, including the handling of cargo operations and cruise ship facilities. Plans are being drawn up for a modern \$600 million port, wharf, cargo area and modern passenger terminal.

Beauty products maker Pure Fiji is a leading exporter to the U.S., Europe and mainland Asia. The family-run firm is looking to build on that base by finding a distributor in Japan.

“Fiji is immensely grateful for the role Japan has played in its development over the years and the country is looking forward to welcoming more Japanese visitors in the future,” Prime Minister Bainimarama adds.

This report can also be read online at www.japantimes.co.jp/international-reports

More Reasons to Invest in Fiji

Fiji offers the following blend of advantages to investors to locate their investments in manufacturing and other enterprises:

- Signatory to various trade agreements, including: South Pacific Regional Trade & Economic Cooperation Agreement with Australia, New Zealand and Forum Island Countries (FICs); Pacific Island Countries Trade Agreement; Economic Partnership Agreements with African, Caribbean and Pacific countries, and the European Union.
- Member of World Trade Organization.
- Easy repatriation of capital and profits.
- Good incentive packages that investors can benefit from.
- An adaptable, productive, industrially disciplined and English-speaking labor force with competitive wage rates.
- A balanced package of financial incentives and other assistance schemes, including a customs duty and VAT suspension scheme.

- Good air and sea links with overseas markets.
- Sophisticated telecommunications links.
- A well-developed infrastructure, including electricity, water supplies and internal communications.
- Availability of factory land and buildings at reasonable rates.
- A government that welcomes and supports investment.
- Well-developed banking and finance institutions providing full, ongoing services.
- An illustrious list of local and foreign companies, large and small successfully manufacturing and operating in Fiji.
- Under the Foreign Investment Act, the FTIB issues Foreign Investment Registration Certificates to all new proposals within five working days of receiving complete proposals.
- Good educational and health-care facilities.
- A tropical paradise of beautiful, sun-drenched islands.

10 years tax-free? Seems like paradise.

Proving it is not just a pretty place, the Fiji Islands is offering companies locating their back office operations to the Kalabo ICT Park a ten year tax holiday. Contact us now for more information.

Fiji Islands Trade & Investment Bureau
P.O. Box 2303, Govt Bldgs, Suva, Fiji. Tel: +679 331 5988 Fax: +679 330 1783 info@ftib.org.fj

www.ftib.org.fj

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P.O. Box 59, 158 Victoria Parade, Suva, Fiji Tel: +679 3312933 Fax: +679 3305606 www.fintel.com.fj