



FIJI

What's happening in this economy

Fiji has one of the most diversified economies in the Pacific: a sophisticated tourism industry, a niche manufacturing sector and an agricultural sector with strong domestic and international potential.

The country is increasingly recognised as the Pacific hub. It plays a key role in facilitating intra-regional trade and is the aviation hub connecting Pacific Island countries to Australia, New Zealand, parts of Asia and the United States.

Fiji is also home to the regional offices of the Asian Development Bank and the World Bank Group, as well as several United Nations organisations.

It has a growing expertise in niche and high-end garments, and an emerging reputation for ICT and back office processing services. English is widely spoken.

The country has set a target to achieve 100 per cent renewable energy generation by 2030.

Multilateral development agencies are strategically investing in infrastructure, transport, water and energy in Fiji.

Australian companies are strong competitors in the infrastructure area. ADB investment in Fiji infrastructure projects will be around USD 473 million, as outlined in the 2020–2022 Country Operations Business Plan.

Fiji's services sector continues to grow, driven predominantly by the tourism industry and supported by construction, manufacturing and retail activity.

Building materials are sourced from Australia to support tourism projects, ongoing maintenance and domestic demand.

Australia remains Fiji's largest tourism market, accounting for about 39 per cent of visitor arrivals in 2018. According to the Fiji Bureau of Statistics, in 2018 there were around 870,000 visitors to Fiji, including 340,000 Australians. Tourism companies can explore opportunities to collaborate around destination and experiential product development, regional tourism strategies, and how infrastructure can help expand and upgrade the tourism experience.

Companies in agribusiness and the food and beverage sector supply tourism and retail operators due to the ongoing demand. But there are opportunities to strengthen the agriculture sector's contribution and to explore local production opportunities as Fiji builds its food and beverage exports to other Pacific Islands and international markets.

Key Facts and Figures

- Population: 890,000 (2018)
- 69% of Fijians are below the age of 40
- 56% reside in urban areas
- GDP growth: 3.4% (2019)
- GDP per capita: USD 5,950 (2019)
- Political system: parliamentary democracy
- Two-way trade/key goods and services traded: \$2.4b (2018)
- Two-way investment/major investments: \$1.7b (2018)
- Australian ODA to Fiji: \$58.8m in 2019–20 (estimated)



connecting Australian business to the world

Fiji has a well-developed garment manufacturing industry and exports about \$50 million worth of these products each year. Other major exports include water, fish and sugar.

Urban growth is rapid as the economy expands. Prime infrastructure such as roads, residential allotments, water and energy are key areas of need to meet urban growth.

Trade, investment, and commercial opportunities and activities

- Australia has a long history of trading and investing in Fiji. Major Australian exports in 2018 included:
 - wheat (AUD 63 million)
 - liquefied propane and butane (AUD 51 million)
 - meat excluding beef (AUD 20 million), and
 - paper and paperboard (AUD 16 million).
- Travel, accommodation services and education are key exports for the services sector.
- ANZ and Westpac are two of six commercial banks that have operated for more 100 years in Fiji:
 - other major companies include Qantas, Virgin, QBE, and Scanlan & Theodore.
- Australian companies own a number of Fiji's tourism services and resorts:
 - the vast range of mainland and island resorts provide ongoing demand for building materials
 - maintenance services, and design and architecture services are also in demand, and
 - the Fijian Government has an interest in reducing energy costs.
- Qantas, Virgin and Jetstar operate more than 30 flights a week to Fiji to cater for tourism demand:
 - Qantas has recommenced direct Sydney to Nadi flights four times a week.
- ABS data shows there are more than 3100 Australian companies that export to Fiji.
- Our geographic proximity, similar climate, deep supply chains and sophisticated industries complement the demands of the Fiji economy:
 - other business drivers include Australia's Pacific Step Up policy, private tourism investment, and the range of opportunities and rewards of working in Fiji.
- There is strong demand from Fiji employers for skills development and vocational training:
 - this includes in construction, tourism and hospitality, agribusinesses, nursing and medical training.
- The Fijian Government's commitment to education is expected to have a positive effect between Fijian and Australian institutions at all levels:
 - several Australian universities have collaborated with Fiji's three universities to deliver a range of courses
 - universities have also partnered with the Fijian Government for research on agriculture, fisheries, forestry and climate change, and



connecting Australian business to the world

- exchanges between education institutions are encouraged to facilitate knowledge transfer and better understanding of our economies.
- There are emerging commercial opportunities in agribusiness as new machinery and technologies are adopted to increase domestic agriculture supply:
 - the sugar cane sector is undergoing reform to improve productivity
 - there is an opportunity to share agricultural knowledge and practices, as well as training in equipment use, farming and soil techniques, and
 - new monitoring technologies will improve decision making and industry efficiencies and effectiveness.
- The Green Climate Fund is supporting renewable energy projects. ADB funded projects are also underway in water and waste water:
 - the Australian Infrastructure Financing Facility for the Pacific will also invest strategically in climate resilient projects
 - delivering services to island locations or remote regions not connected to the energy or water grid are key challenges, and
 - the Australian Government is developing a new \$140 million private sector mobilisation climate fund to attract private sector investment in low emissions, climate-resilient solutions for the Pacific and Southeast Asia.

Trade policy and negotiations

Fiji is a member of the World Trade Organization and a signatory to the Trade Facilitation Agreement. The country is also a member of the South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA).

Fiji signed the interim European Partnership Agreement in 2009 and implementation commenced in 2014.

Fiji is still considering whether to join PACER Plus.

Disclaimer

The Department of Foreign Affairs and Trade (DFAT) has taken great care to ensure the information contained in this publication is correct and accurate.

DFAT does not guarantee, and accepts no legal liability arising from or connected to the accuracy, reliability, currency or completeness of any material contained in this publication.

Readers should exercise their own skill and care in using the material contained in this publication and carefully evaluate the accuracy, currency, completeness and relevance of the material for their purposes.