

Fiji

Business Conditions Snapshot

- Fiji is an upper middle-income country with a relatively diverse and sophisticated economy. English is widely spoken.
- Traditionally, key services exports from Fiji have included travel, accommodation and education. Pre-COVID-19, tourism represented 38.9 per cent of GDP and 35.5 per cent of total employment.¹ However—with demand significantly reduced in key service sectors in 2020—the Reserve Bank of Fiji has estimated that the economy will contract by 19 per cent in 2020.
- As part of its COVID-19 response, Fiji's Government cut customs duties on more than 1,600 items. It also cut the excise on alcohol by 50 per cent.
- Fiji has a relatively efficient and reliable telecommunications system with links to New Zealand, Australia and North America via the Southern Cross Cable.
- Fiji is increasingly recognised as a Pacific hub and plays a key role in facilitating intra-regional trade. 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.
- The Government of Fiji 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 infrastructure. The Australian Infrastructure Financing Facility for the Pacific (AIFFP) partners with Pacific governments—including the Government of Fiji—to design high impact, safeguarded projects, and to enable their delivery through A\$1.5 billion in financing and A\$500 million in grants. Financing is also open to private sector projects that are finance ready.
- Australia is Fiji's leading donor in health and education, and a major donor in private sector development and governance. Australia's development assistance

Key facts and figures

- Population: 890,000 (2018)
- GDP growth: 2.7 per cent (2019)
- GDP per capita: US\$6,379.7 (2019)
- Political system: parliamentary democracy
- Two-way trade: A\$2.44 billion (2018–19)
- Major Australian exports: wheat, liquefied propane and butane
- Major Australian imports: personal travel, gold
- Two-way investment: A\$1.7 billion (2018–19)
- Aid relationship: A\$58.8m in 2019–20 (estimated)

¹ South Pacific Tourism Organisation, 2018



targets the cross-cutting issues of gender equality, disability inclusion, disaster risk management and support to civil society.

- Australia's aid program is supporting Fiji's economic and fiscal recovery from COVID-19. Our private sector investments were reoriented to find opportunities for the tourist sector to rebound, while economic growth programs began exploring economic diversification opportunities. We will help Fiji improve service delivery efficiency during COVID-19 and complement our cooperation by promoting broad-based, private sector-led economic growth.

Trade and Investment Opportunities

- ABS data shows that 3,233 Australian businesses exported to Fiji in 2018–19. By merchandise exporter count (number of exporters), Fiji is Australia's 11th largest market.
- Australian banks have operated for more 100 years in Fiji.
- Other Australian companies operating in Fiji include QBE, SMEC, GHD, FMC Pacific, Forearth Pty Ltd, Oceania Water Group, Lyndhurst, and Scanlan & Theodore.
- Australia is one of Fiji's largest trade and investment partners.
 - Major Australian merchandise exports to Fiji include wheat, liquefied propane and butane, meat and paper.
 - Major Australian merchandise imports from Fiji include gold and garments.
- The Australian Infrastructure Financing Facility for the Pacific invests in climate resilient projects. The International Finance Corporation is collaborating with Energy Fiji Limited and the Fiji Government on a major solar project and the roll out of low-cost housing.
- There are some commercial opportunities in agribusiness as new machinery and technologies are adopted to increase domestic agriculture supply.
- With a domestic population of approximately 890,000, Fiji imports much of its food:
 - Close to half of Fiji's population lives in the greater Suva area, which dominates retail sales.
 - While demand for imported food declined in 2020 due to a sharp fall in tourism, the supermarket sector still imports a wide range of Australian food products.
- There is demand for skilled service suppliers, especially to provide consulting for designs, architectural services and project management. Some businesses have adapted to supply these services remotely during the COVID-19 period.
- Fiji has an emerging reputation for ICT and back office processing services.
 - Australian and other overseas businesses have invested in call centres, data processing, tele-hosting, software development and disaster recovery management.



- Several large Australian businesses have established a commercial presence to manufacture garments in Fiji. Fiji exports about \$50 million of garments each year.
- Due to the impact of COVID-19, there is emerging interest in digital health solutions.
 - Aspen Medical has partnered with the Fiji Government to develop, finance, upgrade, operate and maintain two hospitals in Fiji.
- While travel restrictions have impeded staff and student transfers, cooperation between Australian and Fijian universities remains strong.
 - Several Australian universities have collaborated with Fiji's three universities to deliver courses.
 - Universities have also partnered with the Government of Fiji on research into agriculture, fisheries, forestry, climate change and health.
- There is strong demand from Fiji employers for skills development and vocational training in construction, tourism and hospitality, agribusinesses, nursing and medical training.
- Fiji has more than 100 hotels and resorts which require ongoing maintenance and asset management. While some development has been put on hold due to COVID-19, traditionally Fiji's tourism sector has driven demand for building and construction projects for resorts, hotels, marinas and accommodation.

Trade Policy Focus

- 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 an interim Economic Partnership Agreement with the European Union in 2009 and implementation commenced in 2014.
- Fiji is negotiating a preferential trade agreement with Indonesia. A feasibility study to agree the parameters is expected to be completed by the end of 2020–21.
- Fiji is eligible to join the Pacific Agreement on Closer Economic Relations (PACER) Plus.

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