



Doing Business In Fiji: 2007 A Country Commercial Guide for U.S. Companies

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- [Chapter 1: Doing Business In ...](#)
- [Chapter 2: Political and Economic Environment](#)
- [Chapter 3: Selling U.S. Products and Services](#)
- [Chapter 4: Leading Sectors for U.S. Export and Investment](#)
- [Chapter 5: Trade Regulations and Standards](#)
- [Chapter 6: Investment Climate](#)
- [Chapter 7: Trade and Project Financing](#)
- [Chapter 8: Business Travel](#)
- [Chapter 9: Contacts, Market Research and Trade Events](#)
- [Chapter 10: Guide to Our Services](#)

Chapter 1: Doing Business In Fiji

- [Market Overview](#)
- [Market Challenges](#)
- [Market Opportunities](#)
- [Market Entry Strategy](#)

Market Overview

[Return to top](#)

Major Trends and Outlook

In December 2006, the Republic of Fiji Military Forces overthrew the democratically elected government of Fiji. Soon after, the military set up an interim government headed by the military commander, serving as interim prime minister. Although the coup was largely bloodless, it was marked by serious human rights violations and a pattern of extra-judicial law enforcement and punitive actions by military personnel. The military-dominated interim government repeatedly assured local and foreign investors that Fiji remains a safe place to invest and do business; however, it has occasionally involved itself in investment issues. The military occupied for several days without a warrant or process of law the main offices of a major mining operation owned by a foreign investor, ostensibly on security grounds, and established an interim-government committee to investigate the mining company's decision to close down operations in Fiji. As part of the military's post-coup "clean-up" campaign, numerous board members of government and quasi-government companies have been replaced by persons chosen by the military regime. The validity of contracts or other agreements entered into with these companies or the current interim government may in time be subject to interpretation by the courts. The independence of the judicial system has come into question, raising concern about due process of law.

As a result of these political events, Fiji's tourism industry slumped, and overall economic performance was adversely affected. The closure, in December 2006, of the Emperor Gold Mining Company Limited also added to the country's weak economic performance. Though economic growth for 2006 was estimated at 3.6 percent, it is likely to be lower than initially forecast. The Reserve Bank of Fiji estimates that GDP will decline by 2.5% in 2007.

GDP at market prices for 2006 was estimated at F\$3.1 billion (US\$1.8 billion). Export performance remained depressed. Preliminary estimates by the Bureau of Statistics valued 2006 domestic merchandise exports (excluding re-exports) at F\$834.3 million (US\$482.1 million), a fall of 1.6 percent from 2005. By comparison, 2006 imports were estimated at F\$3.1 billion.

The annual inflation rate was estimated to have risen from 2.7 percent in 2005 to 3.5 percent in 2006. The Reserve Bank suggests that rising inflationary pressures may persist due to possible supply-side constraints for market items.

Official foreign reserves at the end of 2006 were F\$823 million (US\$492.8million), sufficient to cover 3.3 months of goods imports. According to the Reserve Bank's latest data, cumulative to October 2006, merchandise import payments rose by around 11.6 percent, with higher import payments continuing in all categories: investment goods, largely for machinery and electrical equipment (5.0 percent); consumption goods for transport equipment and duty free goods (4.3 percent); and intermediate goods, chiefly mineral fuels and raw materials (2.2 percent).

Principal Growth Sectors

The tourism sector has been the main driver of economic growth in recent years, but it experienced a significant slowdown following the December 2006 coup. It remains Fiji's major source of foreign exchange. Fiji's annual gross earnings from tourism in 2006 were approximately F\$741.7 million (US\$428.5 million), a 1.2 percent increase compared to gross earnings in 2005. Visitor arrivals totaled 545,168. Visitor arrivals are expected to drop at least 5% in 2007. Earnings are likely to fall by a much greater extent, as many hotels have cut prices substantially.

Another sector that recorded consistent growth over the past several years was electricity generation. According to the Reserve Bank of Fiji, total electricity generated by the Fiji Electricity Authority in 2006 was around 737,399 megawatt hours (Mwh), an annual increase of 7.7 per cent.

Government Role in the Economy

According to the 2007 Fiji Budget announced in November 2006, Government debt was estimated at F\$2,579.6million (US\$1544.7million) in 2006, 52.8 percent of nominal GDP. Government revenue and expenditure for 2006 was estimated to amount to F\$1,391million (US\$832.9 million) and F\$1,548.7million (US\$924.4 million) respectively. Following the Fiji Military Forces' overthrow of the democratically elected government in December 2006, the interim government introduced a replacement budget on March 2, 2007. The three stated principal objectives of the replacement budget are to ensure that Government finances are protected; to ensure that Government resources are channeled into productive areas that would contribute to a quick recovery of the Fijian economy, and to lay down a solid platform for fiscal and economic sustainability through responsible financial management and increasing exports in the medium to long term. Amid concerns for the growing national budget deficit, the replacement budget has been founded on a benchmark deficit of 2 per cent of GDP.

The interim government plans a major reduction in government expenditures of F\$200 million (US\$119.8 million). It reversed the deposed government's increase in the Value Added Tax (VAT) on goods and services from 15 back to 12.5 percent.

Balance of Payments Situation

The Reserve Bank of Fiji states that official foreign reserves at the end of 2006 were F\$823 million (US\$492.8 million), sufficient to cover 3.3 months of imports of goods. However, this figure does not fully reflect the true state of foreign reserves, which are lower than indicated and likely to fall further in the medium term. While initial forecasts had expected an improvement in Fiji's overall balance of payments in 2006, to a deficit

of F\$4.5 million (US\$2.7 million) from a 2005 deficit of \$223.2 million (US\$133.6 million), this will have to be revised following the political events of December 2006.

U.S. exports to Fiji increased slightly to US\$32.5 million in 2006, according to U.S. Department of Commerce statistics; 2005 exports to Fiji totaled US\$28.1 million. U.S. imports from Fiji were US\$145.8 million in 2006, compared with US\$169.5 million in 2005. The drop in U.S. imports from Fiji was largely due to falling garment imports. Both U.S. exports to Fiji and imports from Fiji dropped in the first few months of 2007, reflecting the overall decline in Fiji's economy in 2007.

Infrastructure

Infrastructure support is fairly reliable in Fiji. There are numerous air and sea connections to the United States, Asia, and the Pacific Region, as well as local air and sea transport to all major centers on the larger islands in the country. The power generating capacity on the two main islands has been increased with the installation of diesel generators in the capital city, Suva. The Fiji Electricity Authority (FEA), in anticipation of higher future demand for energy, will reportedly be investing an estimated F\$350 million (US\$202.5million) from 2005-2010. Independent power production is planned for isolated regions and the use of renewable energy sources is encouraged. Given Fiji's heavy reliance on diesel fuel, Fiji is exploring viable alternative energy sources available locally such as hydro, solar, wind and wave energy generation, and hybrids.

Domestic and international telecommunication links are relatively reliable, although fax, internet and paging services are expensive and occasionally subject to intermittent disconnections. The prior government had called for the extension of power and phone links to rural areas and outer islands, but no funds have been earmarked for these projects. Other service infrastructure, such as insurance, banking, accounting, local transport, investment finance and real estate, are available in urban centers.

Market Challenges

[Return to top](#)

Some of the common market challenges experienced in doing business in Fiji include:

- Government-directed reductions in capital borrowing by non-residents;
- Time differences between the United States and Fiji;
- Slow and often inefficient processing of government approvals;
- Poor infrastructure in rural areas;
- Relatively high costs of utilities, especially power and communication; and
- Small population base.

Market Opportunities

[Return to top](#)

- Hospitality industry supplies and services; refurbishments & construction materials; consumer goods; agricultural and food processing machinery; data processing and telecommunication equipment; power generation, transmission and distribution equipment; offshore and "back office" data processing; medical services.

Market Entry Strategy

[Return to top](#)

- To successfully enter the Fiji market, it is essential that American firms have local market expertise. American firms often work with an appropriate business partner in the local market and provide on-going support to ensure an amicable long-term relationship.
- The majority of Fiji's business community is of Indian ethnicity; however, the number of indigenous Fijian businesspersons is growing. While English is widely spoken in Fiji, the cultural and ethnic differences between the United States and Fiji should not be overlooked.
- As Australia and New Zealand companies dominate the local business scene and have a long standing relationship with local companies, American companies need to be prepared to be able to match the strong competition from Australia and New Zealand.
- It is highly recommended that due diligence be undertaken prior to entering any contract or making any long-term commitment.

[Return to table of contents](#)

Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

(<http://www.state.gov/r/pa/ei/bgn/1834.htm>)

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 3: Selling U.S. Products and Services

- [Using an Agent or Distributor](#)
- [Establishing an Office](#)
- [Franchising](#)
- [Direct Marketing](#)
- [Joint Ventures/Licensing](#)
- [Selling to the Government](#)
- [Distribution and Sales Channels](#)
- [Selling Factors/Techniques](#)
- [Electronic Commerce](#)
- [Trade Promotion and Advertising](#)
- [Pricing](#)
- [Sales Service/Customer Support](#)
- [Protecting Your Intellectual Property](#)
- [Due Diligence](#)
- [Local Professional Services](#)
- [Web Resources](#)

Using an Agent or Distributor

[Return to top](#)

Some local companies are interested in establishing agent or distributor arrangements with foreign companies.

The General Contract Law governs agreements between foreign suppliers and local agents and distributors. It establishes a buyer-seller relationship under a sale of goods contract between the two parties. It is the responsibility of the local agent or distributor to apply for necessary licenses and import permits.

New market entrants should seek an established agent/distributor with good local contacts, market expertise and technical know-how. U.S. exporters must often provide training, marketing and technical support. Frequent contact with local representatives is critical, especially at the outset, in order to build a good working relationship based on shared values and objectives, and to ensure there are no misunderstandings or communication problems.

The Commercial Section at the U.S. Embassy in Suva can provide valuable assistance in locating potential representatives and acquiring preliminary market data. The staff can also help companies identify agents and distributors.

Establishing an Office

[Return to top](#)

The primary forms of business organizations in Fiji are: companies, including branch offices; joint ventures; partnerships; and trading trusts.

U.S. firms may elect either to incorporate a subsidiary or establish a branch office by registering itself as a foreign company. Both approaches are regulated under Fiji's Company Law. U.S. firms may wish to enter into joint-venture arrangements with one or more parties on an unincorporated or incorporated basis.

Contact: Fiji Islands Trade & Investment Bureau (FTIB), Chief Executive, P.O. Box 2303, Government Buildings Suva, Telephone: (679) 3315-988, Fax: (679) 3301-783, Email ftibinfo@ftib.org.fj

Franchising

[Return to top](#)

There are no restrictions placed by the Fiji government on franchising arrangements. U.S. firms operating in Fiji under franchise agreements include McDonalds, KFC, Pizza Hut, Coca-Cola and Johnson & Johnson. The small market size imposes some limitations in Fiji, but many companies use Fiji as an export base to other Pacific Island countries.

Direct Marketing

[Return to top](#)

Direct marketing is used widely in the sale of cosmetics, health products, cleaning and household consumer goods, electrical appliances, and in service businesses. Major U.S. brands in Fiji are Tupperware, Amway, Nu-Skin and Avon.

Joint Ventures/Licensing

[Return to top](#)

The Fiji Government through the Fiji Islands Trade and Investment Bureau encourages joint ventures in Fiji to stimulate local entrepreneurship and the transfer of technical know-how and skills.

Joint ventures and licensing agreements are important market entry strategies for American exporters. Joint-venture partnerships offering technology transfer, specialized expertise, and training opportunities are effective mechanisms to reduce costs.

Some Fiji firms are actively seeking American joint-venture partners who can provide much needed capital, as well as technical, marketing and management skills, to a business relationship. Fiji firms generally offer assets, local vendor and government contacts, and established business relationships throughout the Pacific region.

The Commercial Section at the U.S. Embassy in Suva can provide assistance in locating potential joint-venture partners for American companies.

Selling to the Government

[Return to top](#)

All requests for proposals and tenders are offered in newspapers and in government publications. Multilateral lending institutions, such as the ADB and World Bank, also sometimes sponsor projects, all open to U.S. bidders.

Distribution and Sales Channels

[Return to top](#)

Two major channels of distribution are available to U.S. exporters. The first is via large, well-established trading companies with strong financial resources and sales volumes, as well as an extensive presence in many industrial sectors. In many cases, these large traders form marketing or production joint ventures with foreign firms when demand volumes are sufficient to justify local investment. In highly specialized markets, these companies rely on agents who have appropriate contacts or expertise.

The second available channel is through small importers. These importers generally specialize in one line of business where they have proven networks and market know-how.

It is advisable for U.S. companies to perform careful due diligence to assure that a potential agent or distributor is financially healthy and able to fulfill obligations.

Selling Factors/Techniques

[Return to top](#)

To differentiate themselves from local and third-country competitors, U.S. firms should emphasize their strengths in quality, innovation, technology and customer service.

Fijians have come to expect more and better styles and designs, regular product upgrades, and updated technology from U.S. companies and will often choose U.S. products and services on the basis of "value for money," not just on the basis of cost. Training is an effective means to make potential customers aware of the quality of products and services.

Electronic Commerce

[Return to top](#)

Despite the development of the country's ITC infrastructure, increased access to the Internet, and lowered costs, electronic commerce still has a limited market reach.

Trade Promotion and Advertising

[Return to top](#)

The majority of Fijians receive information from radio and television. Advertising and trade promotions are important marketing tools in Fiji. In particular, foodstuffs and consumer products should be promoted heavily via a full range of mass media.

There are three major English-language newspapers, "The Fiji Times," "The Fiji Daily Post" and "The Fiji Sun," which largely cater to an urban readership. The Fijian language newspaper "Nai Lalakai" and "Volasiga" can be used for marketing to the Fijian sector of the population, and the Indian-language newspaper "Shanti Dut" for Indo-Fijians.

Companies in Fiji also use two monthly magazines, "Pacific Business" and "Islands Business" for advertising.

Special promotional campaigns are frequently conducted at local shopping centers, hotels and convention halls. Movie theaters and television are also means of reaching the public. It is advisable to translate all product literature and technical specifications into Fijian and/or Hindustani, Fiji's other two main vernacular languages.

Contact:

The Fiji Times, P.O. Box 1167, Suva, Telephone: (679) 3304-111 Fax: (679) 3301-521
Email: timesnews@fijitimes.com.fj, Website: www.fijitimes.com.fj

Daily Post, Mr. Fred Wesley, Act. Publisher/ Editor, P.O. Box2071, Government Buildings, Suva, Telephone: (679) 3313-342 Fax: (679) 3313-320 Email: dailypostfiji@news@yahoo.com;

Fiji Sun, Michael Richards, CEO & Publisher, Tel. 3307-555, Fax 3311-455, Email: fijisun@sun.com.fj, Website: www.sun.com.fj;

Fiji TV, Mr. Mesake Nawari, Chief Executive Officer, 20 Gorrie St, Suva, Telephone: (679) 3305-100 Fax: (679) 3305-077 Email: info@fijitv.com.fj, Website: www.fijitv.com.fj;

Communications Fiji Ltd, Telephone: (679) 3314-766 Fax: (679) 3303-748, Email: news@fm96.com.fj, Website: www.fijivillage.com;

Fiji Broadcasting Corporation Ltd, Mr. Francis Herman, Chief Executive, P.O.Box 334, Suva, Telephone: (679) 3314-333 Fax: (679) 3307-215, Website: www.radiofiji.com.fj

Pricing

[Return to top](#)

The Prices and Incomes Board, a statutory arm of the Ministry of Finance, controls prices of certain basic goods, mostly food items. Otherwise, prices are determined by the market.

Contact: Prices & Incomes Board, G.P.O Box 1312, Suva, Telephone: (679) 3309-266 Fax: (679) 3303227, Email: pibhq@connect.com.fj

Sales Service/Customer Support

[Return to top](#)

All businesses operating in Fiji need to provide warranty service, maintenance contracts for parts and supplies, and return policies.

Protecting Your Intellectual Property

[Return to top](#)

All U.S. firms entering Fiji should protect themselves by registering their intellectual property. A local attorney that specializes in this area can initiate legal actions to combat piracy. The Copyright Act of 1999 protects products from intellectual property infringement, but enforcement is very weak.

Due Diligence

[Return to top](#)

Businesses and investors can hire professional accountancy companies to do due diligence and check bona fides of any company with which they plan to work. There are a number of reputable accountancy firms to provide this service.

The services of a credit bureau can also be obtained through the Data Bureau Ltd, which is affiliated with Baycorp Advantage Ltd. Other resources include business organizations such as the Fiji Chamber of Commerce and Industry, the Fiji American Chamber of Commerce, and the Fiji Islands Trade and Investment Bureau.

Contact: Data Bureau Ltd, G.P.O Box 17910, Suva, Telephone: (679) 330-2400 Fax: 330-4430 (679) 3303227, Email: info@databureau.com.fj,

Fiji Chamber of Commerce and Industry, P.O. Box 1264, Suva, Telephone: (679) 338-5921, Fax: (679) 337-0150, Email: wim@connect.com.fj;

Fiji American Chamber of Commerce (Amcham), Maxumise Fiji Ltd, Level 4, FNPF Place, 343 Victoria Parade, P. O. Box 12499, Suva, Telephone: (679) 3305510, Email: secretariat@fijiamcham.com;

Fiji Retailers Association, P.O. Box 598, Suva, Telephone: (679) 330-3366, Fax: (679) 330-2434, Email: lords@connect.com.fj

Local Professional Services

[Return to top](#)

The services of a local attorney are required for executing agreements and setting up offices in Fiji. Normally paperwork can be completed quickly and easily. Law firms also advise on the various types of business organizations that can be established, assist in registering firms and in obtaining permits. Lawyers are needed for registering patents and trademarks and for taking other legal measures to protect products from intellectual property right infringements. Most commercial and civil law is based on the British system. The Commercial Section at the U.S. Embassy in Suva can provide a list of Fijian lawyers and accountants.

Web Resources

[Return to top](#)

Fiji American Chamber of Commerce, www.fijiamcham.com/
Fiji Times, www.fijitimes.com.fj
Fiji Daily Post, www.fijidailypost.com
Fiji Sun, Website: www.sun.com.fj.
Fiji Broadcasting Corporation Ltd, www.radiofiji.org
Fiji TV, www.fijitv.com.fj
Fijilive, www.fijilive.com
Fiji White Pages, www.whitepages.com.fj
Fiji Yellow Pages, www.yellowpages.com.fj
Fiji Islands Trade and Investment Bureau (FTIB), www.ftib.org.fj
Fiji Government, www.fiji.gov.fj

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 4: Leading Sectors for U.S. Export and Investment

- [Agricultural Sector](#)

Commercial Sectors

- Agro-processing
- Fishing
- Tourism
- Power Generation (Energy)
- Computer hardware, software and service
- Construction & Capital projects

Agro-processing

Overview

[Return to top](#)

	2004	2005	2006
Agro-products Exports (F\$m)			
- Sugar	209.2	223.7	215.1
- Molasses	9.7	9.9	19.2
- Fruit & Vegetables	31.0	29.0	32.8
- Coconut Oil	3.6	3.5	2.1
- Timber & Wood Products	42	45.1	37.6
- Yaqona/ Kava	2.2	2.6	3.7
Total Exports (F\$m)	297.7	313.8	310.5

(Source: Fiji Islands Bureau of Statistics)

The agriculture sector continues to be an important sector for the economy, with agro-based products accounting for approximately 26% of Fiji's total exports in 2006. Major agricultural exports include sugar, lumber, molasses and coconut oil. Other agricultural exports include ginger, kava, papayas and fresh vegetables.

There are an estimated twenty major establishments engaged in processing of local fruits and vegetables, mainly for the domestic market and in producing fruit juice concentrates (pineapple, orange, guava, mango, passion fruit and other citrus juices).

Best Products/Services

[Return to top](#)

Agro-processing is a growing sector in Fiji, especially for fruits, vegetables, spices and botanicals. Potential commodities for value-added processing include papaya, tomatoes, pineapple, coconut, duruka (*Saccharum edule*), mixed vegetables, guava, mango and herbal kava products. Since these fruits and vegetables are seasonal crops, processing facilities will need to have flexibility so as to allow processing of all these items, utilizing the same plant throughout the year. Potential also exists for snack-food processing of readily available taro, tapioca, breadfruit and banana.

Investment, equipment and supplies needed to expand and support these industries are in demand.

Resources

[Return to top](#)

Fiji Islands Trade & Investment Bureau: www.ftib.org.fj

Ministry of Agriculture, Fisheries and Forests: maffinfo@connect.com.fj

Fisheries

Overview

[Return to top](#)

	2004	2005	2006
Canned Fish Exports (F\$m)	2.0	1.6	1.2
Fresh Fish Exports (F\$m)	63.5	68.2	82.3
Total Exports (F\$m)	81.4	82.9	97.9

(Source: Fiji Islands Bureau of Statistics)

Fiji has a large fisheries resource base, with the country's exclusive economic zone (EEZ) covering an estimated 1.3 million square kilometers of ocean. The fisheries sector currently is the second largest export industry, with exports in 2006 totaling F\$97.9 million and estimated employment of about 22,000. The tuna industry dominates the sector. While some canned tuna is exported, the export of fresh tuna loins to Japan and the United States is the major contributor to growth in the industry. The outlook for the industry is generally positive.

Best Prospects/Services

[Return to top](#)

There are opportunities for semi-processing of fish products for both local as well as export markets; expertise in processing and quality standards, established market access, and equipment are needed.

Excellent opportunities also exist for aquaculture production (lobster, shrimps, etc) to cater specifically for the local growing tourism market, which has had to resort to importing to meet its demand. Government is emphasizing the creation and expansion of local production.

Resources

[Return to top](#)

Fiji Islands Trade & Investment Bureau: www.ftib.org.fj
Secretariat of the Pacific Community: www.spc.int

Tourism & Hospitality

Overview

[Return to top](#)

	2003	2004	2005	2006
Hotel Turnover (F\$m)	327	397	458	485
Gross Tourism Earnings (F\$m)	639	718	733.2	741.7
Total Visitor Arrivals	430,800	502,765	549,911	545,168

(Source: RBF/Bureau of Statistics)

The tourism industry has slumped due to the December 2006 coup. It remains unclear, when the industry will recover, absent a quick return to democracy in Fiji. Visitor arrivals totaled 545,168 in 2006. The tourism industry has been the country's fastest-growing industry and the major source of economic growth, foreign exchange earnings and employment. Gross tourism earnings in 2006 were an estimated F\$741.1 million (US\$428.5 million). Construction of several new resorts is under way, primarily in the five-star, luxury range, though at least two major projects stalled after the coup.

Best Prospects/Services

[Return to top](#)

The hotel and hospitality industry requires a large variety of products, such as the following:

- Food
- Building materials
- Furnishings (drapes, carpet, linens)
- Kitchen equipment
- Furniture and appliances
- Sporting equipment
- Toiletries
- IT related to hotel and guest services

An effort is under way to encourage dependable local production/ manufacture of products for the tourism industry.

Resources

[Return to top](#)

Fiji Visitors Bureau: <http://www.bulafiji.com>

Fiji Islands Hotel & Tourism Association: www.fihita.com.fj

South Pacific Tourism Organisation: <http://www.spto.org>

Power Generation (Energy)

Overview

[Return to top](#)

	2004	2005	2006
Import – Mineral Fuels (F\$m)	587	784	1021.5
Percent of Total Imports (%)	23%	29%	33%

(Source: Fiji Islands Bureau of Statistics)

The country's energy needs are met from a variety of sources including hydro and diesel generation, wood, coal and petroleum products. Approximately 40% of energy needs are supplied from local resources, and 60% is met through imported fuel. According to the Reserve Bank of Fiji, the total electricity generated by the Fiji Electricity Authority in 2006 was around 737,399 megawatt hours (Mwh), an increase of 7.7 per cent on an annual basis.

In 2005, mineral oil imports totaled F\$784 million, accounting for 29% of Fiji's total national import bill. The transport sector is the main consumer of commercial fuel, mostly in the form of gasoline.

Fiji continues to seek alternative energy sources to supplement its heavy dependence on imported fuel.

Best Prospects/Services

[Return to top](#)

Given Fiji's heavy reliance on diesel fuel, Fiji is exploring viable alternative energy sources available locally such as hydro, solar, wind and wave energy generation, and hybrids. The use of renewable energy sources is strongly encouraged by government. Government is actively seeking partners in the energy sector, as Fiji explores ways to increase its generation, transmission and distribution infrastructure, both to its urban centers and to rural users. The Fiji Electricity Authority (FEA), which is responsible for the generation, transmission and distribution of electricity, supplies power to 57% of Fiji's population. To electrify isolated villages in rural areas, independent stations are planned. Potential suppliers must work with Fiji government authorities on these projects. The presence of small, isolated population centers on Fiji's smaller islands presents a potentially good market for tailored diesel-powered generation solutions.

Resources

[Return to top](#)

Fiji Department of Energy: <http://www.fdoe.gov.fj/>

Pacific Power Association: www.ppa.org.fj

Secretariat of the Pacific Community: www.spc.int

South Pacific Applied Geoscience Commission (SOPAC): www.sopac.org.fj

Computer hardware, software and service

Overview

[Return to top](#)

	2000	2003	2004
Personal Computers (per 1,000 people)	44.4	-	-
Internet Users (per 1,000 people)	14.8	66.6	72.5

(Source: World Development Indicator Database)

Computer usage is increasing rapidly in Fiji. Growth in this sector is seen in the presence of four licensed Internet service providers, the increase in demand for IT training programs and institutions through out the country, and the availability of a wider range of products, including wireless technology. While Internet access is readily available and competition in the market has resulted in a reduction in costs in urban centers, the relatively high cost of computer hardware, software, internet access and telecommunication services continues to constrain usage.

With the Fiji Islands Trade and Investment Bureau, undertaking extensive promotion missions to New Zealand, Australia and India to attract IT industries into Fiji, further growth can be expected in this sector should interest from foreign investors result in new investments.

Best Products/Services

[Return to top](#)

Fiji's location along the trans-Pacific Southern Cross Cable network underpins a small, but growing call center sector with potential for expansion. Efforts by government to liberalize the telecom sector, new networking and systems integration, and the expanding presence of regional businesses and international organizations all augur well for opportunities for U.S. suppliers in this field.

Resources

[Return to top](#)

Fiji Islands Trade & Investment Bureau: www.ftib.org.fj

Telecom Fiji: www.telecomfiji.com.fj

Fintel: www.fintelfiji.com

Fiji Audio Visual Commission: <http://www.fijiaudiovisual.com/>

Unwired Fiji Ltd: www.unwired.com.fj

Construction & Capital projects

Overview

[Return to top](#)

	2003	2004	2005	2006
Number of Permits Issued	1,838	1,891	1,845	1,850
Value of Permits (F\$m)	161.6	185.2	142.9	358.9
Number of Completion Certificates	604	645	689	606
Value of Completion Certificates (F\$m)	37.7	55.5	62.5	59.1
Value of Work put in place (F\$m)	126.5	160.0	271.0	242.2 (Jan-Sep)

(Source: Reserve Bank of Fiji)

During the first nine months of 2006, according to the Fiji Bureau of Statistics' Building and Construction Survey, some F\$242 million (US\$145.2million) was spent on capital works, representing an increase of 30% on an annual basis. Notable projects completed in 2006 included the Rewa Bridge, while ongoing projects include construction work of the Great Council of Chiefs Complex, the Radisson Hotel, and the Marriot Resort. Construction activity dropped substantially, however, in the first part of 2007.

Best Products/Services

[Return to top](#)

The strong performance in the construction industry provides excellent opportunities to U.S. consultants, designers and equipment suppliers. With rapid developments placing increased pressure on the island environment, the need for sustainable and environmentally friendly solutions will be in demand.

Resources

[Return to top](#)

Fiji Islands Trade & Investment Bureau: www.ftib.org.fj

Asian Development Bank: www.adb.org

Agricultural Sector

[Return to top](#)

The agriculture sector retains its role as one of the more important sectors of the economy, accounting for about 26% of Fiji's total exports in 2005. Growth for the industry in 2006 is forecast at 6.5% and is expected to be driven by production of root crops, fresh fruit and vegetables, ginger and kava. Government policy for the agricultural sector is to expand and diversify agricultural production for efficient food security and competitive exports, with a significant emphasis to be placed on improving quarantine standards.

Best Products/Services

[Return to top](#)

The production of organic and natural products for the export market offers an excellent opportunity, as the country currently lacks the manufacturing capacity and expertise to supply organic produce but benefits from a reputation of having an unspoiled environment.

In addition, with major tourist operators importing food to meet hospitality demands, there are excellent opportunities for local agricultural production of fresh fruit and vegetables to meet the needs of the growing tourism and hospitality industry.

Resources

[Return to top](#)

Ministry of Agriculture, Fisheries and Forests: www.agriculture.org.fj

Fiji Visitors Bureau: <http://www.bulafiji.com>

Fiji Islands Hotel & Tourism Association: www.fihta.com.fj

South Pacific Tourism Organisation: <http://www.spto.org>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 5: Trade Regulations and Standards

- [Import Tariffs](#)
- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
- [Prohibited and Restricted Imports](#)
- [Customs Regulations and Contact Information](#)
- [Standards](#)
- [Trade Agreements](#)
- [Web Resources](#)

Import Tariffs

[Return to top](#)

Import duties for goods range from 0 to 27%. The 2007 Revised National Budget increased fiscal duty on a number of luxury items and white goods. Fiscal duty is 3% for plant equipment and machinery; 15% for tobacco extracts, manufactured tobacco, wines and spirits and motor vehicles; 27% on various agricultural products. Import excise duty is 10% on luxury goods.

A 12.5% Value Added Tax (VAT) is applicable on all imports. Businesses registered under the VAT legislation can claim an input tax credit in relation to VAT paid on their imports. VAT in Fiji is similar to that found in the European Union and to that in New Zealand, although there are a few differences. It is a single-rate tax. The VAT is imposed on imports of all categories of professional services. The importer of such services is required to pay the required VAT to the Inland Revenue Department.

Trade Barriers

[Return to top](#)

Exporters to Fiji do not require import licenses for most goods. Most imports are subject to duty. Drawback of duty can be claimed for re-exported goods.

Quarantine policies for agricultural products sometimes present a trade barrier.

Contact: Permanent Secretary, Ministry of Commerce, Industry, Investment and Communications, P.O. Box 2118, Government Buildings, Suva, Telephone:(679) 3305-411, Fax: (679) 3302-617

Director General, Fiji Islands Customs Service, GPO Box 175, Suva, Telephone: (679) 3302-322, Fax: (679) 3305-138, Website: www.frca.org.fj/customs/

Import Requirements and Documentation

[Return to top](#)

The Quarantine Division of the Ministry of Agriculture, Fisheries and Forests must license certain types of agricultural imports, such as rice, dairy, poultry and meat. The Ministry of Finance, National Planning, and Public Enterprises issues import licenses for gold and other precious metals. Import licenses for products such as lubricants, transformer and circuit breaker oils, cleansing oils and hydraulic brake oils are issued by the Ministry of Commerce, Industry, Investment and Communications.

U.S. Export Controls

[Return to top](#)

<http://www.bis.doc.gov/>

Temporary Entry

[Return to top](#)

There are arrangements for the temporary import of goods for alteration or repair; of goods for public exhibition, trial or entertainment; of specialized goods and equipment not normally available in Fiji to be used solely in connection with some particular project; and of goods for use by temporary residents. The Fiji Islands Customs Service or a local customs agent needs to be contacted prior to the arrival of such goods.

Labeling and Marking Requirements

[Return to top](#)

All goods manufactured in the United States imported into Fiji must have a "Made in U.S.A" label. In the case of a garment, washing instructions must be attached and fabric content must also be displayed.

For packaged goods, quality certification and weight must be on the label. Labels must also specify the company that produced the goods.

For more information contact: Fair Trading Department, Ministry of Commerce, Industry, Investment and Communications, P.O. Box 2118, Government Buildings, Suva, Tel: (679) 3305-411, Fax: (679) 3302-617

Prohibited and Restricted Imports

[Return to top](#)

Prohibited imports include weapons, illegal drugs and pornography.

Contact: Director General, Fiji Islands Customs Service, GPO Box 175, Suva, Telephone: (679) 3302-322, Fax: (679) 3305-138, Website: www.frca.org.fj/customs/

Customs Regulations and Contact Information

[Return to top](#)

All imports into Fiji are subject to classification by the Fiji Islands Customs Service, and rates of duty vary with the type of goods. Imports are subject to import duty (Fiscal Duty and VAT), which is levied in accordance with rates outlined in the schedule of customs tariffs. VAT is fixed at 12.5%; however, there are nominal rates of 3% for a number of

tourist-oriented products (e.g. electronic hi-fi equipment). Duty at a higher rate is generally levied on automobiles, ready-made garments, tobacco, liquor, beer and wines.

For customs requirements: Director General, Fiji Islands Customs Service, P.O. Box 175, Suva, Telephone: (679) 3301-551, fax: (679) 3315-537, Website: www.frca.org.fj/customs/

For standards and quality control: Fair Trading Office, Ministry of Commerce, Industry, Investment and Communications, P.O. Box 2118, Government Buildings, Suva, Telephone: (679) 3305-411, Fax: (679) 3302-617

For quarantine requirements: Permanent Secretary, Ministry of Agriculture, Fisheries and Forests, Private Mail Bag, Suva, Telephone: (679) 3384-233, Fax: (679) 3385-048

For general questions on trade regulations, customs and standards: Chief Executive, Fiji Islands Trade and Investment Bureau, P.O. Box 2303, Government Buildings, Suva, Telephone: (679) 3315-988, Fax: (679) 3301-783, Email: ftibinfo@ftib.org.fj. Website: www.ftib.org.fj

Standards

[Return to top](#)

- [Overview](#)
- [Standards Organizations](#)
- [Conformity Assessment](#)
- [Product Certification](#)
- [Accreditation](#)
- [Publication of Technical Regulations](#)
- [Labeling and Marking](#)
- [Contacts](#)

Overview

[Return to top](#)

In 1992, the Fiji Trade Standards and Quality Control Office (FTSQCO) was established by the Trade Standards and Quality Control Decree 1992, to ensure that Fiji's products and services standards are aligned to international standards.

The Trade Standards Advisory Council (TSAC) was formed in conjunction with FTSQCO. The role of the TSAC is to consider and recommend to the Minister for Commerce, Industry, Investment and Communications the declaration of Fiji standards specifications, including for processes, practices, quality, composition, labeling, and codes of practices.

Standards Organizations

[Return to top](#)

The FTSQCO is the only standards-setting organization in Fiji and is a full member of the International Organization for Standardization (ISO) since January 1, 2006.

NIST “Notify U.S.” Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other member countries. “**Notify U.S.**” is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that could affect your access to international markets. Register online at: <http://www.nist.gov/notifyus/>

Conformity Assessment

[Return to top](#)

At present there are no conformity assessment bodies.

The National Trade Measurement Laboratory is the only national testing laboratory. However, manufacturers needing products tested send them to accredited laboratories in Australia or New Zealand, or to the University of the South Pacific’s Institute of Applied Science (USP/IAS) laboratory, which is ISO 17025 certified.

Accreditation

[Return to top](#)

Water bottled in Fiji must be accredited. The Bottled Water Standard requires that facilities bottling water in Fiji provide test results from approved laboratories for accreditation.

Publication of Technical Regulations

[Return to top](#)

There are approximately 60 standards in place covering areas such as building and building material, telecommunication cabling, safety footwear, electrical installation, quality management systems, food, fuel, corporate governance, bottled water and fireworks. However, the majority of the standards have been adopted from Standards Australia as best practice standards and are voluntary. Two mandatory standards are the Bottled Water Standard Order 2004 and the Fireworks Labeling Standard 2005.

All technical regulations are published in the Fiji Islands Gazette.

Labeling and Marking

[Return to top](#)

All goods imported from the United States must have a “Made in U.S.A.” label; if a garment, the washing instructions must be attached. Fabric content must also be displayed.

For packaged goods, quality certification and weight must be on the label.

Labels must also specify the company that produced the goods.

Contacts

[Return to top](#)

For more information contact: Department of Fair Trading and Consumer Affairs,
Ministry of Commerce, Industry, Investment and Communications, P.O. Box
2118, Government Buildings, Suva, Tel: (679) 3305-411, Fax: (679) 3302-617

Trade Agreements

[Return to top](#)

Fiji manufacturers enjoy preferential access under various multilateral and regional trade agreements. These include the South Pacific Regional Trade and Economic Agreement (SPARTECA), granting preferential access to Australia and New Zealand; the ACP-EU Cotonou Agreement between the members of the African/Caribbean/Pacific group and the European Community; and the United States Generalized Systems of Preferences (GSP) granting preferential access to the United States. Fiji is also party to regional trade agreements such as the Pacific Island Countries Trade Agreement (PICTA), the Pacific Agreement On Closer Economic Relations (PACER), and the Melanesian Spearhead Group.

However, the value of these preferences has fallen. In the case of SPARTECA, tariffs in Australia and New Zealand are declining, and arrangements like the Cotonou Agreement now are required to be compatible with WTO rules.

Web Resources

[Return to top](#)

Fiji Islands Trade and Investment Bureau (FTIB), www.ftb.org.fj

Fiji Government, www.fiji.gov.fj

Fiji Government – Ministry of Foreign Affairs & External Trade, www.foreignaffairs.gov.fj

Fiji Islands Customs & Revenue Authority, <http://www.frca.org.fj>

Secretariat of the Pacific Community (SPC), www.spc.org.nc

Pacific Islands Forum Secretariat, www.forumsec.org.fj

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 6: Investment Climate

- [Openness to Foreign Investment](#)
- [Conversion and Transfer Policies](#)
- [Expropriation and Compensation](#)
- [Dispute Settlement](#)
- [Performance Requirements and Incentives](#)
- [Right to Private Ownership and Establishment](#)
- [Protection of Property Rights](#)
- [Transparency of Regulatory System](#)
- [Efficient Capital Markets and Portfolio Investment](#)
- [Political Violence](#)
- [Corruption](#)
- [Bilateral Investment Agreements](#)
- [OPIC and Other Investment Insurance Programs](#)
- [Labor](#)
- [Foreign-Trade Zones/Free Ports](#)
- [Foreign Direct Investment Statistics](#)
- [Web Resources](#)

Openness to Foreign Investment

[Return to top](#)

Fiji generally welcomes foreign investment. However, in December 2006, the Republic of Fiji Military Forces overthrew the democratically elected government and replaced it with an interim government chosen by the military and headed by the military commander, serving as interim prime minister. The military dismissed parliament, declared a state of emergency, restricted or suspended numerous civil rights, and interfered with Fiji's independent judiciary by suspending the chief justice pending investigation of alleged irregularities. Although the coup was largely bloodless, it was marked by serious human rights violations by the military and a pattern of extra-judicial law enforcement and punitive actions by military personnel. The military repeatedly assured local and foreign investors that Fiji remains a safe place to invest and do business; however, it has occasionally involved itself in such issues. The military occupied for several days without a warrant or process of law the main offices of a mining operation owned by a foreign investor, ostensibly on security grounds, and established an interim-government committee to investigate the mining company's decision to close down operations in Fiji. As part of the military's post-coup "clean-up" campaign, there have been numerous replacements of board members of government and quasi-government companies. The validity of contracts or other agreements entered into with these companies or the current interim government may be subject to later interpretation by a court of law.

In late January 2007, the military interim government announced plans to create an inter-agency investment review and facilitation committee, to be headed by the CEO of the Fiji Islands Trade and Investment Bureau. This report reflects the longer-term investment climate and notes where the coup has impacted it.

Generally, government restrictions and conditions are designed to ensure the investment is desirable for Fiji's development and the use of its resources. Fiji has a tradition of a strong judiciary where contractual rights are generally upheld. However, post-coup, the independence of the judiciary has come into question, raising concerns about due process of law.

Fiji's economy is shifting from a reliance on sugar and textiles to a focus on tourism and related industries. The textile industry has been in decline for several years but the decline has accelerated since global textile preferences were eliminated by the WTO beginning in January 2005. The sugar industry is dependent upon inflated prices paid by the European Union, scheduled to be phased out beginning in 2008. There are currently several large-scale tourism investments taking place around the country that are expected to open in the next two years but may face possible delays given the current political situation.

The Fiji Trade and Investment Bureau (FTIB) is responsible for the promotion, regulation and control of foreign investment in the interest of national development. FTIB pursues this task in conjunction with relevant government ministries. Government approval is required for all foreign investment in Fiji.

All businesses or enterprises with a foreign-investment component in its ownership are required to apply to the Chief Executive, Fiji Islands Trade and Investment Bureau, for the issuance of a Foreign-Investment Certificate. The following information is required:

1. Name of company, firm or enterprise;
2. Description of business activity being carried out by the company, firm or enterprise;
3. Location and address;
4. Capital structure;
5. Shareholding structure;
6. Total investment in fixed assets; and
7. Total employment.

The Foreign Investment Act stipulates that the approval process for investment applications should take no longer than 5 working days. However, businesses should be prepared for any delays in processing.

Contact: The Chief Executive, Fiji Islands Trade & Investment Bureau, P.O. Box 2303, Government Buildings, Suva, Telephone: (679) 3315-988, Fax:(679) 3301-783, email: ftibinfo@ftib.org.fj, website: www.ftib.org.fj

Certain types of investment are subject to restrictions. Investment areas that have been reserved for Fiji Island nationals include small scale business such as cafeterias, taxis/busses, handicrafts, tailoring, shoe repair, plumbing/electrical, plant nurseries, day-care, and veterinary services. Investors must meet certain conditions prior to investment in some other restricted industries. Fishing enterprises must have at least 30% local equity; agricultural enterprises require at least 40% local equity. Full listings of reserved and restricted areas can be found at http://www.ftib.org.fj/uploaded_documents/Reserved_Restricted_List_of_Activities.pdf

Foreign investors can acquire real estate. However, the land situation in Fiji is complex and only a small percentage of land is available for purchase. If the property is larger

than one acre, the Minister of Lands must approve the purchase. There are industry-specific incentives for tourism, mining, filmmaking and audio-visual activities, boat building, fishing, logging and saw milling operations, and bus building.

Conversion and Transfer Policies

[Return to top](#)

Since the December 2006 coup, the Reserve Bank of Fiji has introduced enhanced foreign exchange controls that may impact the repatriation of capital, earnings, loan repayments etc, in addition to existing documentary requirements. The bank says the controls are temporary, aimed at preventing short-term over-reactions to the coup and avoiding a devaluation of the Fiji dollar. Previously, a foreign investor who brought in funds or equipment from overseas to invest in Fiji and had fulfilled all regulatory requirements was guaranteed repatriation of investment profits and remaining capital.

Although the Fiji dollar remains fully convertible, the Reserve Bank has temporarily suspended offshore investments by non-bank financial institutions, companies and individuals. It has rescinded commercial banks' delegated authority to process a number of typically larger types of transactions such as profit remittances, and has reduced the limits on a number of transactions over which the banks retain authority. Transactions above these require express Reserve Bank permission. The Reserve Bank has also introduced a credit ceiling on lending by individual commercial banks, although no limits were placed on individual customers. The Reserve Bank has said it will consider individual lending requests above the new limits on a case-by-case basis.

Prior to the post-coup restrictions, the processing time for remittance applications was approximately 3 working days, provided all required documentation was provided. Transactions within the newly reduced limits of the commercial banks' delegated authority still process within this general timeframe. Remittance through parallel markets continues to require the prior approval of the Reserve Bank.

Expropriation and Compensation

[Return to top](#)

Under Section 40 of the Constitution and the Foreign Investment Act, a foreign investor has the same protection against compulsory acquisition of property as any other person. The foreign investor has the same right as a national enterprise of recourse to the courts and other tribunals of the Fiji Islands in respect of the settlement of disputes.

Expropriation has not historically been a common phenomenon in Fiji.

Dispute Settlement

[Return to top](#)

The legal system in Fiji developed from British law. Under the Constitution, the Fiji Islands Supreme Court is the final court of appeal. Both companies and individuals have recourse to fair legal treatment through the system of local and superior courts.

Laws govern all aspects of commercial transactions, including bankruptcy law, and the courts generally enforce these laws in a transparent and consistent manner. A foreign

investor has the right of recourse to the courts and other tribunals of Fiji in respect of the settlement of disputes. Following the December 2006 coup, the military appeared to intercede in a dispute over the closure by a foreign investor of a major Fiji gold mining operation. The mine's workforce appealed to the military commander, calling on the interim government to investigate the foreign owners' claims the mine was no longer viable. Army troops occupied the mining company property for several days, and the military's interim government established a committee to investigate the company's closure decision and recommend response options for the government. In January 2007 it was revealed that the military had taken files from the Fiji company registry without warrants as part of its self-initiated investigation into possible corruption.

Past investment disputes have often focused on land issues, particularly in the logging and tourism sectors. Such disputes have been resolved through labor-management dialogue, government intervention, referral to compulsory arbitration, or through the courts.

Fiji is a party to the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States.

Performance Requirements and Incentives

[Return to top](#)

Fiji's investment incentives scheme was thoroughly reviewed in 2001 to ensure that incentives offered would be transparent, easily available, automatic and non-discretionary. Foreign investors can apply for incentives following registration with the FTIB (<http://www.ftib.org.fj/invest-fiji-incentives.cfm>)

To support the implementation of newly approved investments, FTIB has established a monitoring system to assist companies in obtaining necessary approvals to commence operations. The investing firm must ensure that commercial production begins within 12 months of the date of approval of the project.

Information on incentive packages for investors can be obtained from the FTIB. Incentives offered include some preferential tax treatment and duty free or low duty treatment of imported materials and equipment. The incentives also reflect the Fiji Government's long-term concerted efforts to develop tourism, the filmmaking and audiovisual industry, and the information technology industry. Fiji has been particularly active in encouraging foreign investment in the tourism and audio-visual industries.

Tourism-related incentives include tax-related investment allowances on approved expenditures on tourist boats/ships and approved building and expansion projects. For large hotel development, incentives under the Hotel Aids Act include duty free import of capital equipment and no corporate taxes for 20 years for capital investment exceeding F\$40 million or 10 years for capital investment between F\$10 and F\$40 million. Filmmaking and audio-visual incentives include a 15% tax rebate (to a maximum of F\$3.75 million) on qualifying production expenditure in Fiji, and between 125% and 150% tax concessions for qualifying investments in film, television and music productions, audio visual computer software, interactive websites, e-commerce and telecommunication operations. The government also offers incentives for the development of agriculture, forestry, information technology and rural businesses.

The Ministry of Commerce, Industry, Investment and Communication and the Ministry of Foreign Affairs and External Trade control import and export policy. Commercial import policy includes consideration of tariff measures, import restrictions, quota arrangements and other policies designed to assist development of local industries.

Most imports are subject to import duty, which is levied at various rates in accordance with the Customs Tariff Act of 1986. Such duties may be waived or reduced upon eligibility for investment incentives. Most goods may be imported without an import license. However, there are restrictions on the import of a number of products to protect local industries or for the purposes of quarantine. The restrictions are absolute for some products, while others may be imported subject to conditions imposed by statute or under license from the Ministry of Commerce, Ministry of Agriculture, or other relevant ministries or departments. Quotas may be placed on imports of particular products, such as motor vehicles.

Right to Private Ownership and Establishment

[Return to top](#)

Foreign investors are discouraged from acquiring controlling interest in, or taking over established, locally owned enterprises in Fiji. However, permission may be given if such an acquisition or takeover is in the national interest.

Foreign investors usually operate through a branch or a local subsidiary in Fiji. Formation of both public and private companies is possible, the process taking about two weeks. Registration costs are nominal. The South Pacific Stock Exchange and authorized banks in Fiji are allowed to approve investments by non-resident individuals and businesses in publicly listed companies and in fixed deposit accounts for amounts up to F\$5 million (US\$2.9 million) per investor, per annum. A public company must have a minimum of seven shareholders, with no maximum; a private company must have a minimum of two shareholders and a maximum of 50. There are no nationality or residence restrictions on shareholders, but applications for the issue of new or additional shares or capital should be submitted to the Reserve Bank of Fiji for processing before share certificates may be issued to nonresidents.

Protection of Property Rights

[Return to top](#)

Intellectual Property

Fiji's Copyright Laws are in conformity with World Trade Organization (WTO) Trade Related Aspects of Intellectual Property (TRIPS) provisions. However, while copyright laws adhere to international laws, and provisions are available for companies to register a trademark or petition for a patent in Fiji through the Office of the Administrator General of Trademark, Patents, Designs and Copyrights, the enforcement of these laws remains inadequate. In July 2006, the Fiji Audio Visual Association was established to promote the protection of intellectual property and raise awareness on copyright issues in Fiji. Despite police confiscating numerous allegedly illegal copies of DVDs and VCDs, charges of copyright infringement have not yet been laid. Illegal reproductions of films, sound recordings and computer programs continue to be widely available.

Contact: Administrator General, Trademarks, Patents, Designs, Copyrights P.O. Box 2226, Government Buildings, Suva, Telephone: (679) 3312-798, Fax: (679) 3300662

Fiji Audio Visual Industry Association, G.P.O Box 16353, Suva, Telephone: (679) 3318912, Fax: (679) 3318910, Email: favia@iFiji.com

Land Rights

Land ownership and usage is a highly sensitive issue in Fiji society. In late December 2006, the post-coup interim government imposed a temporary ban on all land sales after receiving reports of alleged irregularities in the development and sale of land to foreigners. The interim Prime Minister Bainimarama said he was particularly concerned with the practice of converting native land to crown or state land and its subsequent sale to non-residents. The interim government also established a working committee to examine land sale issues and to make recommendations to regularize the process, with an eye to ensuring that "the landowners are not disadvantaged in the process." The ban was partially lifted on January 24, 2007. Leases of so-called native title land, which constitutes some 87.75% of Fiji land, to non-Fiji residents and nationals remain restricted, but the government has said it hopes to lift this restriction too at a later date.

Land in Fiji falls into three categories: Native land, Crown land, and Freehold land.

Native Land refers to the 87.75% of the land held by indigenous Fijians under communal tenure relationships. This land, which is reserved for the special use of its owners, may not be sold, only leased. The Native Lands Trust Board (NLTB) is the body entrusted by the landowners to manage their land, including leases.

Crown Land refers to the 3.95% of the land in Fiji owned by the government. Like NLTB land, Government (Crown) land may not be sold. The availability of crown land for leasing is usually advertised. This does not, however, preclude consideration being given to individual applications in cases where land is required for special purposes.

Freehold, private land accounts for 8.06% of total land area.

Investors may lease land, though each lease category has different conditions and terms. Leases may be sold, transferred and varied, but such dealings are subject to the consent of the NLTB and Lands Department.

Government leases for industrial purposes can be up to 99 years with rents reassessed every 10 years. NLTB leases for land nearer to urban locations are normally for 50-75 years. Annual rent is reassessed every 5 years. The maximum rent that can be levied in both cases is 6% of unimproved capital value. Leases also usually carry development conditions that require lessees to effect improvements within a specified time. Investors need to be mindful of the interim government's investigations into the NLTB for fraud, mismanagement and corruption, as these may affect future dealings and lease of native title land

Apart from the requirements of the NLTB and Lands Department, town planning, conservation and other requirements specified by central and local government authorities affect the use of land.

Contacts: Permanent Secretary, Ministry of Lands and Mineral Resources, P.O. Box 2222, Government Buildings Suva, Telephone: (679) 3211-556, Fax: (679) 3302-730

General Manager, Native Land Trust Board, P.O. Box 116, Suva, Telephone: (679) 3312-733, Fax: (679) 3229-696

Transparency of Regulatory System

[Return to top](#)

Although the government has made some positive efforts, there is a perception among foreign investors of a lack of transparency in government procurement and approval processes. Some foreign investors considering investment in Fiji have encountered lengthy and costly bureaucratic delays.

Prior to the coup, proposed laws frequently were not submitted for public comment. However, a parliamentary committee process was developing. Post-coup, legislation has been by presidential decree. That process may face constitutional challenge in future.

Efficient Capital Markets and Portfolio Investment

[Return to top](#)

Fiji has a well-developed banking system supervised by the Reserve Bank of Fiji (RBF). The RBF regulates the Fiji monetary and banking systems, manages the issuance of currency notes, administers exchange control, and provides banking and other services to government. In addition, it provides lender-of-last-resort facilities and regulates trading bank liquidity.

There are five trading banks with established operations in Fiji: ANZ Bank, Bank of Baroda, Colonial National Bank, Bank South Pacific, and Westpac Banking Corporation. In addition, non-banking financial institutions provide financial assistance and borrowing facilities to the commercial community and to consumers. These institutions include the Fiji Development Bank, Fiji National Provident Fund, Housing Authority, Credit Corporation, Merchant Finance, and insurance companies. In 2006, total assets of commercial banks amounted to F\$3.3 billion (US\$2.0 billion).

The Capital Markets Development Authority (CMDA), formed in 1998, is responsible for the development of capital markets and regulation of market participants. As a result, a capital market is slowly emerging, with 16 companies listed on the South Pacific Stock Exchange. The Regulation and Compliance Division of CMDA is responsible for the regulation and supervision of the market.

Political Violence

[Return to top](#)

Fiji has suffered from four coup d'etats in its history, two in 1987, one in 2000 and one in December 2006. There was, in addition, a mutiny within the Fiji military in November

2000. In May 2000, then Prime Minister Mahendra Chaudhry and members of his government were held hostage by a group of Fijian nationalists. In the end, Fiji's military intervened, removed the coup leaders, and installed an interim government that remained in power after 2001 general elections. Largely the same government was again returned to office following elections in May 2006. Investigations by the Fiji Police and Public Prosecutor's office into the May 2000 coup resulted in several convictions of high-ranking government officials, but several of those jailed were subsequently granted early release on various grounds.

Fiji remained relatively stable from 2000 to 2006. Mounting tensions between the government and the military peaked in December 2006 when the military staged a repressive, but bloodless coup. Parliament was dissolved, the prime minister deposed and effectively exiled to an outer island, and government ministers and senior bureaucrats removed from office. In January 2007, the military named an interim government to govern until national elections can be held, with the military commander as prime minister. There has been no date fixed for national elections. The military committed numerous human rights violations in attempting to silence critics of the overthrow. It declared a state of emergency and eliminated or restricted many civil rights. A deterioration in military discipline led to many extra-judicial punitive actions by military personnel, who took on unsanctioned law enforcement responsibilities. At least two persons died and a number were physically abused after being taken into custody by the military. The police department struggled to carry out its normal mandate, but its authority and procedures were co-opted and compromised by the military assumption of policing responsibilities. In May 2007, the formal state of emergency was lifted.

The military maintained public order during and after the coup, with armed checkpoints in and around the major cities being the most visible military presence. Domestic business was affected, though the military actively promoted a "business as usual" campaign. Despite travel advisories by Australia, New Zealand, the United States and others, and a significant drop in visitor arrivals, business in the important tourism sector continued, though at a significantly reduced level. There were no noteworthy demonstrations against the takeover, nor other acts of political violence.

Coincidental to the coup, the Australian owners of Fiji's flagship Emperor gold mine declared their intention to close the mine, threatening the jobs of some 1,700 miners in an isolated rural community. Following pleas by worker representatives for action by Fiji authorities to stave off the impending closure, the military, without warrants, placed the mine and the company's on-site administrative offices under guard for several days, briefly locking out management in the process. The military cited concerns about the security of large amounts of explosives at the mine as grounds for its action. In response to calls from organized labor, the military also established an interim-government committee to investigate the mining company's decision to close down its operations in Fiji.

Corruption

[Return to top](#)

Credible allegations regarding misuse of government funds or abuse of public office have been raised repeatedly over recent years, especially in the annual Auditor General's reports. The limited accountability for corruption, inefficient government systems and lack of effective disciplinary processes pose major challenges to Fiji's fight

against corruption. Fiji's relatively small population and limited circles of power often lead to personal relationships playing a major role in business and government decisions.

Alleged corruption in government and the civil service was cited by the military as a major justification for its overthrow of Fiji's democratically elected government in 2006. The military itself, however, has suffered from a lack of a transparent budgetary process and itself evaded the Auditor General's investigations. Although the previous government had announced anti-corruption initiatives, including the establishment of an anti-corruption commission and the legislating of a Freedom of Information Bill, progress was slow in implementing these initiatives. The current interim government established an independent commission against corruption, with broad powers of investigation. However, implementing rules for the Fiji Independent Commission Against Corruption (FICAC) were established by proclamation and may be challenged at a later date in court.

Fiji has yet to sign the UN Convention against Corruption and there is little evidence to suggest that it would do so in the near future.

At present, the media, Transparency International Fiji and the non-governmental Pacific Center for Public Integrity (PCPI) play important roles in raising anti-corruption issues.

Bilateral Investment Agreements

[Return to top](#)

Fiji has negotiated double taxation agreements with the United Kingdom, New Zealand, Australia, Korea, Malaysia, Singapore, Vanuatu and Papua New Guinea. Fiji has not entered into a bilateral investment agreement with the United States or any other country.

Fiji is party to a number of regional and international trade arrangements, including South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA), the Cotonou Agreement and GSP. Under SPARTECA, Fiji has broad, duty-free access to the markets of Australia and New Zealand for its exports, subject to certain exceptions and limitations. Fiji also enjoys a similar facility with the European Union (EU) under the Cotonou Agreement. Fiji is also party to regional trade agreements PICTA, PACER, and the Melanesian Spearhead Group.

OPIC and Other Investment Insurance Programs

[Return to top](#)

The U.S. Overseas Private Investment Corporation (OPIC) provides investment insurance in Fiji for qualified applicants. The risks of currency convertibility and expropriation are safeguarded under Fiji's foreign-exchange regulations. OPIC provides political risk insurance and loans for qualified projects. Fiji is not a member of the Multilateral Investment Guarantee Agency.

The Fiji dollar is pegged to a basket of currencies of Fiji's principal trading partners, chiefly Australia, New Zealand, the United States and Japan.

Labor

[Return to top](#)

The workforce in 2006 is estimated at 369,300 of which about 34 percent are in formal, paid employment. Nearly 80 percent of the workforce has been educated to a secondary school level and four percent have received a university-level education or post-secondary school technical training.

Fiji continues to face a “brain drain”, with many skilled and professional workers migrating overseas for better working and living conditions. Acute shortages are found in the medical field, with half the annual nursing graduates migrating each year.

The following acts regulate non-monetary conditions of employment:

1. The Employment Act regulates conditions of employment for all employees except specified categories;
2. The Workmen's Compensation Act prescribes benefits in case of injury, sickness and death arising out or in the course of employment;
3. The Factories Act provides for the health, safety and welfare of factory employees.

The Ministry of Employment and Industrial Relations has responsibility for the administration of labor laws and the encouragement of good labor relations and is working towards the enactment of the Employment Relations Bill 2006 which will consolidate current labor legislation.

Fiji has been a member of ILO since 1974 and has ratified 25 ILO conventions.

Foreign-Trade Zones/Free Ports

[Return to top](#)

There are no foreign trade zones or free ports in Fiji, however tax-free zones and factories exist. Tax-free factories (TFF) and tax free zones (TFZ) are no longer available to new companies that wish to establish a manufacturing plant for exports. However, companies with existing (TFF/TFZ) approvals will continue until the expiry of the approvals.

Foreign Direct Investment Statistics

[Return to top](#)

According to data provided by the Fiji Islands Trade and Investment Board, total foreign investment proposals approved in 2005 amounted to F\$1.17billion (US\$700 million), an increase of 6% from 2004. U.S.-based investments approved in 2005 totaled F\$48.9million (US\$29.2million).

The Reserve Bank of Fiji estimates that in 2006 foreign direct investment was the equivalent of 18% of GDP.

Web Resources

[Return to top](#)

Fiji Islands Trade and Investment Bureau (FTIB), www.ftb.org.fj

Fiji Government, www.fiji.gov.fj
Fiji Government – Ministry of Foreign Affairs & External Trade, www.foreignaffairs.gov.fj
Fiji Government – Ministry of Lands & Mineral Resources, www.lands.gov.fj
Reserve Bank of Fiji, www.rbf.gov.fj
Capital Markets Authority of Fiji, www.cmda.com.fj
Native Land Trust Board (NLTB), www.nltb.com.fj
Mineral Resources Department, www.mrd.gov.fj/qfiji/
Fiji Islands Customs & Revenue Authority, www.frca.org.fj
Secretariat of the Pacific Community (SPC), www.spc.org.nc
Pacific Islands Forum Secretariat, www.forumsec.org.fj
OPIC, www.opic.gov
ILO, www.ilo.org/public/english/region/asro/suva/
Bureau of Statistics, www.statsfiji.gov.fj
Asian Development Bank – South Pacific Subregional Office, www.adb.org/SPSO/

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
- [Web Resources](#)

How Do I Get Paid (Methods of Payment)

[Return to top](#)

Fiji has a stable financial and banking system, but the international services division of a U.S. or Fiji bank should be consulted for recommendations regarding the best method for a given transaction.

Options for payment include:

- Telegraphic Transfers
- Cash in Advance
- Commercial Bills of Exchange
- An Open Account
- Letters of Credit

A letter of credit is a very secure form of payment and is used frequently for new or unknown clients perceived to offer relatively more risk of nonpayment.

How Does the Banking System Operate

[Return to top](#)

Fiji has a developed banking system controlled by the Fiji Government through the Reserve Bank of Fiji. The Reserve Bank regulates the Fijian monetary and banking system, manages note issues, administers exchange controls, and provides banking and other services to government. It provides and regulates trading-bank liquidity via the government's monetary policy. In addition to managing the credit environment, the RBF has responsibility for foreign exchange controls and management of Fiji's international reserves position.

There are five commercial banks with established operations in Fiji. There are also non-bank financial institutions (NBFIs) providing financial assistance and borrowing facilities to the commercial community and to consumers. The non-bank institutions are: the Fiji Development Bank, the Fiji National Provident Fund (FNPF), the Housing Authority, the Credit Corporation, the Merchant Finance & Investment Company Ltd., and a number of insurance companies.

The five commercial banks are:

- The Australian and New Zealand Banking Group Limited (ANZ), P.O. Box 179, Suva, Telephone: (679) 3213-000, Fax: (679) 3305-080
- Bank of Baroda, P.O. Box 47, Suva, Telephone: (679) 3311-402, Fax: (679) 3302-510

- Colonial National Bank, Private Mail Bag, Suva, Telephone: (679) 3314-400, Fax: (679) 3303-448
- Bank of South Pacific, Narseys Building, 98-100 Renwich Road, Suva, Telephone: (679) 3304-011, Fax: (679) 3304-835
- Westpac Banking Corporation, P.O. Box 238, Suva, Telephone: (679) 3217-601 Fax: (679) 3300-718

Two principal non-bank financial institutions are:

- Credit Corporation, Credit House, Gordon Street, Suva, Telephone: (679) 3305-744, Fax: (679) 3305-747
- Fiji Development Bank, 369 Victoria Parade, Suva, Telephone: (679) 3314-866, Fax: (679) 3314-886

Services provided by the banks include: lending, overdraft facilities, full-drawn advances, housing loans, leasing finance, personal loans, bankers opinion, credit card facilities, money transfers/remittances, trade finance, trade enquiries, letters of credit, documentary collections, travellers checks, foreign-currency accounts, forward exchange (restricted to trade) and foreign currency loans (residential and trade).

The assets of all commercial banks in Fiji at the end of December 2006 totaled F\$3.3 billion (US\$2.0 billion). A foreign currency exposure policy, introduced in 1997, places limits on banks' net, foreign and open positions, and gross forward, foreign-exchange and sales contracts, in relation to an individual bank's level of capital in Fiji.

Foreign-Exchange Controls

[Return to top](#)

Exchange control is administered by the Reserve Bank of Fiji through the Exchange Control Act and subsidiary legislation.

The following areas are affected by exchange control:

- transactions in foreign currency;
- transfer of currency into and out of Fiji;
- transfer of property and securities out of Fiji; and
- export and import transactions.

Investments from outside Fiji, overseas equity, loan investment into Fiji, and the flow of funds arising from commercial and private transactions into and out of Fiji are subject to exchange controls.

All commercial banks operating in Fiji, along with non-bank financial institutions, act as agents of the Reserve Bank in matters affected by the Exchange Control Act. Limited authority has been delegated to the commercial banks. This authority was reduced by the Reserve Bank following the 2006 coup. Additional tightening on exchange controls relating to non-resident borrowing will also be in effect from January 1, 2008. The exchange control policy guidelines and delegated limits for authorized dealers are highlighted in the following table.

Type of Payment	Delegated Limit
-----------------	-----------------

Airline Ticket Sales (applicable only to overseas airlines with officers or agents in Fiji)	<ul style="list-style-type: none"> Up to F\$50,000 per application
Charges/ Fees/ Services <ul style="list-style-type: none"> a. Freight & Shipping b. Other transport charges c. Royalty/ commission d. Patents, copyright e. Brokerage & Other Charges to agents and representatives outside Fiji f. Movie/film Hire, news service g. Repair – domestic air/ shipping, other h. Technical, professional & management Fees i. Advertising j. Office expenses k. Visa application l. Re-imbursement/ refund m. Other <p>*Does not include commercial banks' head office expenses or reimbursement charges</p>	<ul style="list-style-type: none"> Up to F\$50,000 per amount due
Court Order Payments <ul style="list-style-type: none"> a. Alimony b. Collection of Debt c. Out of court settlement d. Other <p>Note: Beneficiary must be non-resident</p>	<ul style="list-style-type: none"> Up to F\$50,000 per amount due per annum
Credit Card Payments	<ul style="list-style-type: none"> Up to the full amount if payment is against expenses incurred prior to December 6, 2006 Restricted to F\$5,000 per month thereafter Foreign currency cash drawing limit of up to F\$200 per month per credit card holder
Debit Card Facility <ul style="list-style-type: none"> • Monthly usage • Cash Drawing 	<ul style="list-style-type: none"> F\$500 per month F\$100 per month
Deposits into F\$ External Accts <ul style="list-style-type: none"> a. Salaries & wages from employment in Fiji b. Interest payable on the account c. Payments from other external accounts d. Proceeds of sale of assets/ personal effects/ claims e. Income from rental/ directors fees/ gratuity f. FNPF proceeds g. Tax refunds 	<ul style="list-style-type: none"> Full amount Full amount Full amount Up to F\$50,000 per sale Up to F\$50,000 Full amount Full amount

h. Proceeds from sale of foreign currency sourced externally or remaining funds from travel funds uplifted	• Full amount
i. Other funds from local sources	• Up to \$200 per annum
Education/ Training Expenses (for current year only)	
a. Paid directly to education/ training institution	• Up to F\$50,000 per student per annum
b. Paid directly to the student	• Up to F\$500 per applicant per annum
c. Scholarship payments by recognized institutions	• Full amount
Emigration Allowance	
Source of Funds: <ul style="list-style-type: none"> • Sale of personal assets • Maturity of life insurance • Death benefits • Rental/ directors Fees • Savings/ FNPf/ refund <p><i>Note: long term business visas & work permits do not qualify under this delegation and require RBF approval</i></p>	• Requires RBF approval
Gifts	• Up to \$500 per applicant/ beneficiary per annum (applicants above this limit are restricted)
Government Department Payments/ Transfers (includes funding of offshore accounts)	• Full amount
Import Payments	
a. Goods on board ship or aircraft, or goods landed but awaiting customs clearance	• Up to full payment due for Letters of Credit and Sight Draft arrangements
b. Goods already landed & cleared by Fiji Customs	• Full amount due
c. Prepayment of term bills for goods already landed & cleared by Fiji Customs	• Requires RBF approval
d. Advance import payments prior to shipment of goods	• Requires RBF approval
e. Merchant goods	• Requires RBF approval
f. Payment to third party (goods already received in Fiji)	• Requires RBF approval
Oil Import Payments	• Requires RBF approval
Insurance/ Re-insurance Payments Offshore	• Requires RBF approval
Lease Payments	
a. Aircraft	• Up to F\$50,000 per amount per annum
b. Fishing or cruise vessels	
c. Machinery	

d. Other lease payments	
Loan Repayments a. Principal & Interest (excluding up front fees) b. Loan repayment	<ul style="list-style-type: none"> Up to F\$50,000 per amount due as scheduled Requires RBF approval
Lottery Tickets *Note: up-front payment of lottery ticket winnings is not permitted	<ul style="list-style-type: none"> Up to F\$500 per applicant per annum (Applicants above this limit are restricted)
Maintenance	<ul style="list-style-type: none"> Up to F\$500 per applicant per annum
Medical Expenses and Reimbursements a. Paid directly to the medical Institution b. Paid directly to the patient	<ul style="list-style-type: none"> Up to F\$50,000 per medical treatment Up to F\$500 per applicant per annum
Offsetting of Foreign Exchange Earnings against Foreign Currency Bills Payable a. Merchandise imports b. Other	<ul style="list-style-type: none"> Up to F\$100,000 per transaction Requires RBF approval
Offshore Investment [New applications and existing approvals not yet utilized by non-bank financial institutions, companies and individuals]	Suspended
Pensions/ Superannuation & Gratuity a. Payments by government & FNPF b. Payments by companies	<ul style="list-style-type: none"> Full Amount Full Amount
Profit Declared and Distributed to Non-Resident Shareholders/ Partners/Sole Proprietors a. Capital b. Dividend or operating profit	Requires RBF approval <ul style="list-style-type: none"> Capital Profit remittance is restricted to F\$1m per annum Dividend profit remittance is restricted to any one calendar year's profit not yet remitted Local borrowing to fund profit remittances are restricted
Refund a. Cancelled hotel bookings b. Other (inc. airline tickets sold locally by travel agents) c. Tax	<ul style="list-style-type: none"> Up to F\$500 per cancelled booking Up to the full amount per beneficiary
Subscriptions to Clubs, Societies and trade Organizations (incl. entrance fees)	<ul style="list-style-type: none"> Up to F\$500 per subscription per annum
Travel Allowance a. Fiji Passport Holders (excluding emigrants) b. Foreign passport holders	<ul style="list-style-type: none"> Up to F\$5,000 per person per trip Up to full amount applied for if funds are sourced directly from the applicant's F\$ external or foreign accounts

Wages paid in foreign currency cash to foreign crew members	<ul style="list-style-type: none"> Up to F\$500 per beneficiary
Wedding Expenses	<ul style="list-style-type: none"> Restricted to F\$500 per applicant per annum
Withdrawal of Investment by Non-Resident Investors a. Sale of shares/ assets b. Shareholders funds	<ul style="list-style-type: none"> Required RBF approval
Miscellaneous Expenses	<ul style="list-style-type: none"> F\$500 per applicant and/or beneficiary per annum

U.S. Banks and Local Correspondent Banks

[Return to top](#)

Australia and New Zealand Banking Group Limited (ANZ) - with Citibank, New York, for drafts; ANZ Bank, New York, for outward telegraph transfers; and Bank of America, San Francisco, for negotiation of checks.

Bank of Baroda - with Bank of New York, 101 Barclay St, Manhattan, New York, NY 10286, for drafts and checks; and Bank of Baroda New York, 1 Park Ave, New York, NY 10916, for outward telegraphic transfers.

Colonial National Bank - with Fleetbank, 1133 Avenue of the Americas, New York, NY 10036.

Westpac Banking Corporation - with Chase Manhattan, New York Plaza, Floor 15, New York, NY 10004.

Project Financing

[Return to top](#)

The tightening of exchange control policy guidelines by the Reserve Bank of Fiji in the wake of the December 2006 coup may impact project financing. The delegated authority of lending institutions to non-resident controlled businesses has been reduced from F\$10.00 million (US\$5.9 million) to F\$1.0 million (US\$0.59million), in total borrowing per entity. For local borrowing to non-resident individuals, the delegated authority has been suspended and requires prior approval by the Reserve Bank of Fiji. Also, with effect from January 1, 2008, all property acquisitions by non-resident individuals will be required to be fully financed offshore.

Commercial banks and other official lending institutions in Fiji require the approval of the Reserve Bank to lend amounts over and above the delegated limits to non-resident individuals/controlled businesses.

Multilateral banks such as the Asian Development Bank (ADB) and the World Bank, and some bilateral institutions, offer loans for specific types of projects.

Web Resources

[Return to top](#)

Export-Import Bank of the United States: www.exim.gov
Country Limitation Schedule: www.exim.gov/tools/country/country_limits.html
OPIC: www.opic.gov
Trade and Development Agency: www.tda.gov/
SBA's Office of International Trade: www.sba.gov/oit/
USDA Commodity Credit Corporation: www.fsa.usda.gov/ccg/default.htm
U.S. Agency for International Development: www.usaid.gov
The Australian and New Zealand Banking Group Limited (ANZ): www.anz.com/fiji/
Bank of Baroda: www.bankofbaroda-fiji.com
Colonial National Bank: www.colonial.com.fj
Bank of the South Pacific: www.bsp.com.pg/
Westpac Banking Corporation: www.westpac.com.fj
Credit Corporation, www.creditcorporation.com.pg/fiji.htm
Fiji Development Bank, www.fijidevelopmentbank.com
Reserve Bank of Fiji: www.rbf.gov.fj

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 8: Business Travel

- [Business Customs](#)
- [Travel Advisory](#)
- [Visa Requirements](#)
- [Telecommunications](#)
- [Transportation](#)
- [Language](#)
- [Health](#)
- [Local Time, Business Hours and Holidays](#)
- [Temporary Entry of Materials and Personal Belongings](#)
- [Web Resources](#)

Business Customs

[Return to top](#)

Although Fiji has a unique local culture, there are no local customs, beyond the bounds of normal courtesy, which visitors should feel compelled to observe in normal business transactions. Business in Fiji tends to be conducted in a less formal manner than in many other countries. The use of first names is common. Business meetings often begin with small talk and sometimes proceed more slowly than an equivalent meeting in the United States.

It is advisable to reconfirm business appointments and meeting arrangements. However, U.S. business people should not be unduly surprised when kept waiting beyond scheduled times. Business meetings are generally informal. Ties are suitable, but optional. However, very casual attire, including shorts, should be avoided. Evening functions are normally informal (Bula/Aloha shirts or shirt and tie and slacks or dress, or skirt and blouse), unless otherwise specified.

Fiji adopts a relatively conservative approach toward Sunday religious observance. Most retail business is closed on Sunday, but basic services are available. There are sizeable minorities of Hindus and Muslims in the population who have special religious observances regarding food and drink.

Fiji uses the metric system of weights and measures. Dates are written in the order: day, month, year: 01 January 2007 or 01/01/07. In writing numbers, commas denote thousands and periods denote fractions as follows: \$1,000.50, as in the United States. Household electrical current is 220 volt, 50 cycle. Special adapter plugs (Australian standard) are required when connecting U.S. appliances to electrical outlets.

Travel Advisory

[Return to top](#)

http://travel.state.gov/travel/warnings_consular.html

Visa Requirements

[Return to top](#)

A passport valid for at least three months beyond the intended period of stay and a ticket for return or onward travel is required. Entry visas are granted on arrival for a stay of up to four months for U.S. nationals. U.S. business people do not require special visas to visit Fiji. Visas may be extended for up to six months on application to the Department of Immigration in Suva, Lautoka or Nadi. It is necessary to have an onward or return ticket and sufficient funds to cover costs. Those wishing to reside and work in Fiji, even on a temporary basis, require proper authority to do so before arrival. In most cases, prospective employers will make necessary arrangements to sponsor such people. Visitors who intend to reside or work must make certain they have satisfied immigration requirements.

Contact: Director of Immigration, Department of Immigration, P.O. Box 2224, Government Buildings, Suva, Telephone: (679) 3312-672, Fax: (679) 3301-653

U.S. companies doing business in Fiji that require the travel of foreign persons to the United States should be advised that not all individuals qualify for a visa to visit the United States. Visa applicants should go to the following links:

Fiji Embassy in Washington, D.C.: <http://www.fijiembassydc.com/>

State Department Visa Website: <http://travel.state.gov/visa/index.html>

U.S. Embassy Suva: http://suva.usembassy.gov/information_for_travelers.html

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

Telecommunications

[Return to top](#)

Fiji's telecommunication systems are fairly well developed, though costly. Telecom Fiji Limited (TFL) is the sole provider of local and national (trunk) telephony services. Its network throughout Fiji and Rotuma consists of 55 telephone exchanges and connects over 101,000 customers in all major towns. The range of products and services offered by TFL include local and national (trunk) telephony services, data services, private leased lines, switched digital data circuits, information processing, maritime telecommunications, and emergency services.

Mobile phones are widely used. Vodafone Fiji is the sole provider of mobile phone networks in Fiji and has a 275, 000 customers. Fiji operates GSM and GPRS networks and is moving from 2G technology to 3G (generation) technology. For visitors to Fiji, mobile phones operate on a 900Mhz frequency and any GSM dual band or tri-band mobile phone will work with Vodafone Fiji.

Internet access is also available in most urban centers. There are 3 Internet service providers (ISP), including Connect, FINTEL's KIDANET and Unwired Fiji Ltd. Dial-up connections are still common in Fiji, but there is a greater demand and use of high-speed Broadband. Pre-paid Internet access and wireless Internet access are also available. Special internet access packages for business customers are available for speeds 256Kbps-2MB, starting from F\$39.50 monthly.

Contact:

Connect Fiji, 10 Thomson St., P.O. Box 13779, Suva, Tel: (679) 330-0100, Fax: (679) 330-7237, Email: info@connect.com.fj;

Fiji International Telecommunications Ltd. (FINTEL)/KIDANET, 158 Victoria Parade, P.O. Box 59, Suva, Tel: (679) 331-2933, Fax: (679) 330-0750, Email: info@kidanet.com.fj;

Unwired Fiji Ltd, Carpenter Street, Raiwai, Suva, Tel: (679) 327-5040, Fax: (679) 327-5045, Email: support@getunwired.com.fj

Transportation

[Return to top](#)

American business travelers to Fiji should not encounter unexpected difficulties and can use normal reservation services for travel and accommodation. Visitors are advised to take into account the requirement to have a valid Fiji visa (obtainable upon arrival), a passport valid for at least three months beyond the intended period of stay, and a ticket for return or onward travel to another country.

Fiji is at the crossroads of the South Pacific, central among the southern Pacific island nations, and a mid-way stop for some flights from Australia and New Zealand to America. More than 85 international flights land in Fiji each week.

Fiji's national carrier, Air Pacific, flies to several Pacific island nations as well as New Zealand, Australia, Japan and the United States. Other airlines servicing Fiji are Air New Zealand, Polynesian Airlines, Air Marshall Islands, Solomon Airlines, Air Caledonia, Korean Airlines, Qantas and Pacific Blue.

Qantas and American Airlines on a code-share basis have scheduled flights from Fiji to the United States, operated six times per week by Air Pacific. United Airlines offers code-share flights on Air New Zealand, which flies three times per week from Fiji to the United States.

Fiji has two international airports, both on Viti Levu, the largest island. Most overseas flights arrive and depart from Nadi (pronounced Nandi) on Viti Levu's west coast. The other international airport is on the eastern side at Nausori, outside the capital of Suva.

Fiji's domestic airlines are: Air Fiji, Pacific Sun, Turtle Airways and Air Wakaya for inter-island travel. Inter-island fares are reasonable. Travelers should check with their travel agents before departure for current bargains, since special offers, such as air passes and lower rates, usually must be purchased before arrival in country.

Visitors to Fiji may drive on a valid driver's license from their home country for the same class of vehicle, or a valid international driver's license. Driving is on the left side of the road. The maximum speed limit on the open road is 80 kilometers per hour (50 mph), and 50 kilometers per hour (30 mph) in urban areas. Rental cars are available from internationally known companies at Fiji's gateway airports and in major urban areas.

Language

[Return to top](#)

Fiji is an English-speaking country, although Fijian and Hindustani are also widely spoken.

Health

[Return to top](#)

Fiji is free from malaria, yellow fever, and many tropical diseases endemic to many tropical countries. Recently, typhoid, dengue fever and leptospirosis have periodically been reported. Fiji has a fairly effective medical system, but emergency care is largely restricted to urban centers. Tap water in Suva, Lautoka and the other major towns has been treated but may not always be safe to drink. Outside of these urban centers, tap water should not be considered potable.

Local Time, Business Hours, and Holidays

[Return to top](#)

Listed below are national holidays and their dates for 2007.

New Year's Day	January 1
Prophet Mohammed's Birthday	April 2
Good Friday	April 6
Easter Monday	April 9
National Youth Day	May 4
Ratu Sir Lala Sukuna Day	May 28
Queen's Birthday	June 18
Fiji Day	October 8
Diwali	November 9
Christmas Day	December 25
Boxing Day	December 26

Fiji is 12 hours ahead of Greenwich Mean Time (GMT) and 17 hours ahead of U.S. Eastern Standard Time (EST). Standard business hours in Fiji are generally from 8:00 a.m. to 4:30 p.m., Monday to Friday. Most retail outlets are open on weekdays and a half day on Saturday. Most non-essential services are closed on Sunday.

Temporary Entry of Materials and Personal Belongings

[Return to top](#)

Machinery and equipment imported for temporary use and for a specific project in Fiji and then re-exported, may be allowed as "Privileged Goods" on a check-in/check-out basis, without payment of normal duties. Security in the form of a cash or bond must be deposited with the Comptroller of Customs at the time of importation. Upon re-exportation of such goods, the cash deposit will be refunded or bond cancelled.

Personal and household effects may be imported free of fiscal/ excise duty, though this is subject to conditions set out by the Fiji Islands Revenue and Customs Authority. For the importation of personal motor vehicles, normal duties must be paid.

Web Resources

[Return to top](#)

State Department Visa Website: <http://travel.state.gov/visa/index.html>

UnitedStatesVisas.gov: <http://www.unitedstatesvisas.gov/>

U.S. Customs and Border Protection: <http://www.customs.gov/xp/cgov/travel/vacation/kbyg/>

Centers for Disease Control: <http://www.cdc.gov/travel/>

Fiji Embassy, Washington DC: <http://www.fijiembassydc.com/>

Fiji Immigration Department, <http://www.immigration.gov.fj>

Fiji Visitors Bureau, <http://www.BulaFiji.com>
Fiji Islands Trade and Investment Bureau (FTIB), <http://www.ftb.org.fj>
Fiji Government, <http://www.fiji.gov.fj>
Fiji Government – Immigration Department: <http://www.immigration.gov.fj>
Fiji Islands Revenue & Customs Authority: <http://www.frca.org.fj>
FINTEL/KIDANET: <http://www.kidanet.com.fj/>
Telecom Fiji, <http://www.telecomfiji.com.fj>
Vodafone: <http://www.vodafone.com.fj>
Connect Fiji: <http://www.connect.com.fj>
Unwired Fiji: <http://www.unwired.com.fj>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 9: Contacts, Market Research, and Trade Events

- [Contacts](#)
- [Market Research](#)
- [Trade Events](#)

Contacts

[Return to top](#)

U.S. EMBASSY TRADE-RELATED CONTACTS:

The Embassy of the United States of America:

Quinn Plant, Commercial Officer
Repeka Ufiamorat, Commercial Assistant
31 Loftus Street or P.O. Box 218
Suva, Fiji
Telephone: (679) 331-4466
Fax: (679) 330-8685
Email: usembsuva@connect.com.fj
Website: <http://suva.usembassy.gov/>

U.S. Department of State Office of Business Affairs
Telephone: (202) 746-1625, Fax: (202) 647-3953

U.S. Department Of Agriculture, Foreign Agricultural Service, Trade Assistance and Promotion Office, Telephone: (202) 720-7420

Overseas Private Investment Corporation, Telephone: (202) 336-8799

Fiji Trade Commission, 5777 W. Century Blvd., Suite 205, Los Angeles, CA 90045,
Telephone: (310) 645-2136, Fax: (310) 645-0851, Email: ivuidreketi@fijitrade.com

Individual U.S. State Trade Offices: check in U.S. local listings or the Internet.

COUNTRY TRADE OR INDUSTRY ASSOCIATIONS IN KEY SECTORS:

Fiji Chamber of Commerce and Industry: President, P.O. Box 1264, Suva;
Telephone: (679) 338-5921; Fax: (679) 337-0150; Email: wim@connect.com.fj

Fiji-American Chamber of Commerce (Amcham), Mr. Paul Dunk, President, C/-
Maxumise Fiji Ltd, Level 4, FNPF Place, 343 Victoria Parade, P. O. Box 12499, Suva;
Telephone: (679) 3305510; Email: secretariat@fijiamcham.com

Suva Chamber of Commerce and Industry, Contact Dr. Nur Bano Ali, President, P.O.
Box 2475, Government Building, Suva;
Telephone: (679) 331-4044; Fax: (679) 330-2188; Email: Dr_nurali@gdofiji.com.fj

Fiji Grocers Association, Contact: Mr. Sarvendra Dayal, President, P.O. Box 10139, Suva; Telephone: (679) 3391-155; Fax: (679) 334-0059; Email: sdayal@connect.com.fj

Fiji Manufacturers Association, Contact: (Vacant), Secretariat, 49 Gladstone Rd., Suva; Telephone: (679) 330-1432; Fax: (679) 330-1432; Email: fma@connect.com.fj

Fiji Retailers Association, Contact: Mr. Himmat Lodhia, President, P.O. Box 598, Suva; Telephone: (679) 330-3366 or 331-3788; Fax: (679) 330-2434; Email: lords@connect.com.fj

Pacific Islands Financial Markets Association, Contact: Mr. Suresh Ram, Interim Secretary, c/ Capital Markets Development Authority, P.O. Box 2441, Govt. Bldgs., Suva; Telephone: (679) 330-4944; Fax: (679) 331-2021, Email: cmda@connect.com.fj

COUNTRY MARKET RESEARCH FIRMS:

Tebbutt Research Pty. Ltd., P.O. Box 16851, Suva
Telephone: (679) 331-5555, Fax: (679) 331-4444

COUNTRY COMMERCIAL BANKS:

The Australian and New Zealand Banking Group Limited (ANZ), P.O. Box 179, Suva
Telephone: (679) 321-3000, Fax: (679) 330-5080, Email: ebusfj@anz.com

Bank of Baroda, P.O. Box 47, Suva
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Colonial National Bank, Private Mail Bag, Suva
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Telephone: 330-4011, Fax: 330-4835

Westpac Banking Corporation, 73 Gordon St, P.O. Box 238, Suva
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Fiji Times Ltd, 177 Victoria Parade, P.O. Box 1167, Suva
Telephone: (679) 330-4111, Fax: (679) 330-1521, Email: timesnews@fijitimes.com.fj

Fiji Daily Post Co Ltd, Greig St., P.O. Box 2071, Govt. Bldgs., Suva
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Sun (Fiji) News Ltd, 12 Amra St., Walu Bay, Private Mail Bag, Suva
Telephone: (679) 330-7555, Fax: (679) 331-1455, Email: truth@is.com.fj

Islands Business International Ltd., 46 Gordon St., P.O. Box 12718, Suva

Telephone: (679) 330-3108, Fax: (679) 330-1423, Email: editor@ibi.com.fj

Associated Media, Ellery St., Suva, P.O. Box 12095, Suva
Telephone: (679) 330-5916, Fax: (679) 330-2852, Email: info@fijilive.com

The Review Ltd, Ellery St., P.O. Box 12095, Suva
Telephone: (679) 330-0591, Fax: (679) 330-2852, Email: info@fijilive.com

Fiji Broadcasting Corp Ltd, 69 Gladstone Rd., P.O. Box 334, Suva
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[Return to top](#)

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[Return to top](#)

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[Return to table of contents](#)

[Return to table of contents](#)

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[Return to table of contents](#)

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