



FIJI
INVESTMENT CLIMATE STATEMENT
2015

Table of Contents

Executive Summary

1. Openness To, and Restrictions Upon, Foreign Investment

- 1.1. Attitude Toward FDI*
- 1.2. Other Investment Policy Reviews*
- 1.3. Laws/Regulations of FDI*
- 1.4. Industrial Strategy*
- 1.5. Limits on Foreign Control*
- 1.6. Privatization Program*
- 1.7. Screening of FDI*
- 1.8. Competition Law*
- 1.9. Investment Trends*
 - 1.9.1. Tables 1 and if applicable, Table 1B*

2. Conversion and Transfer Policies

- 2.1. Foreign Exchange*
 - 2.1.1. Remittance Policies*

3. Expropriation and Compensation

4. Dispute Settlement

- 4.1. Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts*
- 4.2. Bankruptcy*
- 4.3. Investment Disputes*
- 4.4. International Arbitration*
 - 4.4.1. ICSID Convention and New York Convention*
- 4.5. Duration of Dispute Resolution*

5. Performance Requirements and Investment Incentives

- 5.1. WTO/TRIMS*
- 5.2. Investment Incentives*
 - 5.2.1. Research and Development*
- 5.3. 5.3 Performance Requirements*
- 5.4. Data Storage*

6. Right to Private Ownership and Establishment

7. Protection of Property Rights

7.1. Real Property

7.2. Intellectual Property Rights

8. Transparency of the Regulatory System

9. Efficient Capital Markets and Portfolio Investment

9.1. Money and Banking System, Hostile Takeovers

10. Competition from State-Owned Enterprises

10.1. OECD Guidelines on Corporate Governance of SOEs

10.2. Sovereign Wealth Funds

11. Corporate Social Responsibility

11.1. OECD Guidelines for Multinational Enterprises

12. Political Violence

13. Corruption

13.1. UN Anticorruption Convention, OECD Convention on Combatting Bribery

14. Bilateral Investment Agreements

14.1. Bilateral Taxation Treaties

15. OPIC and Other Investment Insurance Programs

16. Labor

17. Foreign Trade Zones/Free Ports/Trade Facilitation

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

19. Contact Point at Post for Public Inquiries

Executive Summary

Fiji is a republic, with a population of approximately 874,700 and an estimated GDP of USD 3.9 billion (FJD 7.8 billion). It is classified as an upper middle income economy by the World Bank. The government welcomes foreign investment and assures investors that Fiji is a safe place to do business. The return to parliamentary democracy and re-engagement of diplomatic relations with international partners has improved investor confidence.

The country has been a constitutional republic since general elections held September 17, 2014 ended eight years of military rule. In an election deemed free and fair by the international community, citizens elected Josaia Voreqe Bainimarama as prime minister. Bainimarama overthrew the elected government in a bloodless coup in 2006. In 2009 the interim government he headed abrogated the constitution, imposed a state of emergency, and, in the absence of a parliament, ruled by decree until national elections returned the country to democracy. In 2013 the government reported a total of 257 new investment applications from foreign investors valued at USD 627 million (FJD 1.25 billion). This is compared to 130 projects, valued at USD 371 million (FJD 742 million) in 2012.

The Fiji government expects growth of 4 percent for the economy in 2015, following growth of 4.6 percent in 2013 and 4.2 percent in 2014. To stimulate growth in agriculture, manufacturing, tourism, information communication technology and audio-visual activities, and in isolated rural/maritime regions, the government offers industry-specific tax incentives. These include tax holidays and import duty exemptions on equipment and raw materials. The financial system is stable and the central bank relaxed a number of foreign exchange controls. Large payments above USD 500,000 (FJD 1 million) of investment profits and capital still require approval.

Fiji's total land mass is roughly 11,352 square miles. The land situation in Fiji is complex. Eight percent of land is freehold; the rest is indigenous and government land that can only be leased. Fiji passed a Land Sales Act in December 2014 that restricts ownership of freehold land inside city or town council boundaries areas to Fijian citizens. There are limited exceptions to allow foreigners to purchase land (see the section on real property below). In previous years, natural disasters and flooding have caused damage that hampered economic growth. The annual cyclone season runs from November to April.

The government is expected to complete the sale of a number of its blue-chip public assets, including Airports Fiji Ltd., and the government printing company, to raise an estimated USD 267 million (FJD 534 million). Tourism, Fiji's largest foreign exchange earner and fastest growing industry, continues to present opportunities for foreign investment.

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude toward Foreign Direct Investment

The Fiji government welcomes foreign investment, assuring investors that Fiji is a safe place to do business. The return to parliamentary democracy and re-engagement of diplomatic relations with international partners has improved investor confidence.

Although Fiji has a tradition of a strong judiciary system, where contractual rights are generally upheld, the independence of the judiciary and the lengthy legal process raise concerns about due process of law. Furthermore, all cases challenging the actions of the interim government since December 2006, were dissolved by decree. This prohibits the judiciary from hearing challenges to the actions of the government since April 2009, such as the 2006 coup and the abrogation of the constitution in April 2009.

Following a strong performance of 4.2 percent in 2014, the Fiji government expects the economy to grow by 4 percent in 2015. Increased activity in the construction, manufacturing, financial, and insurance sectors should fuel growth in 2015. According to 2014 figures, earnings from tourism were USD 695.2 million with visitor arrivals reaching 692,630. The number of U.S. visitors went up 12 percent in 2014, accounting for nearly 9 percent of total visitors. Tourism remains Fiji's largest foreign exchange earner, and the country has liberal visa requirements—allowing nationals of 132 nations to enter the country without acquiring a visa in advance. Remittances from Fijians working abroad are a second pillar of the economy. Sugar exports remain important. While the sector is a major employer, production is below its peak performance. The government is funding reforms to improve quality, farm productivity, and mill efficiency to bolster sugar production. Additionally, the sugar sector is diversifying into co-generation facilities for producing energy. U.S. exports to Fiji increased by 19 percent in 2014, and two-way trade with Fiji totaled about USD 240.95 million.

Other Investment Policy Reviews

The Fiji government is reviewing its investment policies in order to improve efficiency in the approval processes of foreign investment proposals. Fiji's last WTO trade policy review was in 2009.

Laws/Regulations of Foreign Direct Investment

The Foreign Investment Act (FIA) and the 2009 Foreign Investment Regulation regulate foreign investment in Fiji. All businesses with a foreign-investment component in their ownership are required to register and obtain a Foreign Investment Registration Certificate (FIRC) from Investment Fiji. Investment Fiji is responsible for the promotion, regulation, and control of foreign investment in the interest of national development. The government is developing an Investment Approval Tracking System (IATS) to enable online applications for an FIRC and payment of the requisite application fee of USD 1,438 (FJD 2,875). Investors are also required to obtain the necessary permits and licenses from other relevant authorities and should be prepared for delays.

Information on the registration procedures, regulations and registration requirements for foreign investment is available at the Investment Fiji website: <http://www.investmentfiji.org.fj>.

Industrial Promotion

The government has identified and promoted extensively through the media, overseas investment trade missions and trade shows, opportunities for investment in the sectors of agribusiness, food

processing, information and communication, mining, services, and travel. Specific sector investment incentives have also been developed to encourage investment in these sectors.

Limits on Foreign Control

A number of investment activities are reserved for Fiji nationals or subject to restrictions. There are 15 reserved activities and 5 restricted activities. Full listings of reserved and restricted areas can be found at: <http://www.investmentfiji.org.fj/pages.cfm/for-investors/doing-business-in-fiji/foreign-investment-act-foreign-investment-regulations.html>.

In 2013, the government amended the foreign investment law to allow the government to confiscate assets, interests, and/or shares or properties of foreign investors who do not comply with FIRC conditions, thus leading to a termination of its FIRC.

Privatization Program

The government is expected to complete the sale of a number of its blue-chip public assets, including Airports Fiji Ltd. and the Fiji Government Printing and Stationary Department, to raise an estimated USD 267 million (FJD 534 million).

Screening of FDI

Investors are required to meet the requirements listed under the Foreign Investment Act (FIA) and the 2009 Foreign Investment Regulation, as well as ensure that the investment activity is not under the Reserved and Restricted Activities list. The following documents must accompany the FIRC application: if a company is being listed as a Shareholder, then a certified copy of the certificate of incorporation and name(s) of those associated with the Shareholding Company; if local equity contribution is required, a copy of the Shareholders Agreement and a copy of the Declaration of Shareholders, witnessed or certified by a justice of the peace, lawyer and/or chartered accountant, are to be submitted; a certified copy of the passport bio-data page, together with a recent colored passport size photo of all those associated with the business; a police clearance report from the country of residence in the last 12 months or more; and proof of company registration abroad (if applicable).

Contact: The Chief Executive, Investment Fiji, P.O. Box 2303, Government Buildings, Suva; Telephone: (679) 3315 988; Fax:(679) 3301 783; Email: info@investmentfiji.org.fj; Website: <http://www.investmentfiji.org.fj/>.

The approval process for investment applications takes 5-10 working days. Depending on the nature of the business, investors may also be required to obtain permits and licenses from other relevant authorities and should be prepared for delays.

Competition Law

The Fiji Commerce Commission (FCC), established under the 2010 Commerce Commission Decree, regulates monopolies, promotes competition, and controls prices of selected hardware, basic food items, and utilities, in order to ensure a fair, competitive, and equitable market.

Investment Trends

Interest in foreign investment are on the rise, with Investment Fiji registering a total of 257 new investment applications, valued at USD 627 million (FJD 1.25 billion) in 2013.

Interest from American investors also grew in the first half of 2013, with 22 applications, with an estimated value of USD 169 million (FJD 338 million). Although registration is a precondition, it does not necessarily mean that actual investment will be made.

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2014	n/a	transparency.org/cpi2014/results
World Bank's Doing Business Report "Ease of Doing Business"	2015	81 of 198	doingbusiness.org/rankings
Global Innovation Index	2014	95 of 143	globalinnovationindex.org/content.aspx?page=data-analysis
World Bank GNI per capita	2013	USD 4,370.00	data.worldbank.org/indicator/NY.GNP.PCAP.CD

2. Conversion and Transfer Policies

Foreign Exchange

The Reserve Bank of Fiji (RBF) relaxed a number of foreign exchange controls, including increasing delegated limits for commercial banks and authorizing foreign exchange dealers to process some payments in 2015. The Fiji dollar remains fully convertible. The Fiji dollar is pegged to a basket of currencies of Fiji's principal trading partners, chiefly Australia, New Zealand, the United States, the European Union, and Japan.

The Reserve Bank of Fiji has not removed its suspension of offshore investments by non-bank financial institutions and companies. Although no limits were placed on non-residents borrowing locally for some specified investment activities, the RBF placed a credit ceiling on lending by commercial banks to non-resident controlled business entities.

Remittance Policies

Profit and dividend remittances above USD 500,000 (FJD 1 million) per company, per annum, and large payments still require RBF approval. Tax compliance may restrict foreign investors' repatriation of investment profits and capital. Provided all required documentation is submitted, the processing time for remittance applications is approximately three working days. Remittance through parallel markets requires prior approval by the Reserve Bank.

3. Expropriation and Compensation

Expropriation has not historically been a common phenomenon in Fiji. A foreign investor theoretically has the same right of recourse as a Fijian enterprise to the courts and other tribunals of Fiji to settle disputes. In practice, the government has acted to assert its interests with decrees affecting foreign investors.

In 2013, the government amended the Foreign Investment Decree with provisions to permit the forfeiture of foreign investments as well as significant fines for breaches in compliance of foreign investment registration conditions.

In 2010, through the Natadola Development Decree, the foreign investment certificate of the project developers was cancelled, and its shares in the project forfeited. The government's 2010 Media decree, which limits foreign ownership of media organizations to 10 percent, forced the sale of Australia-based News Limited's controlling stake in the Fiji Times, the country's oldest and main daily newspaper,. Also, in the same year, a director of a major U.S. investor, FIJI Water, was deported, and the same company was singularly targeted with an increased export tax, from 0.33 of a cent per liter of water to US 8 cents (FD 16 cents) per liter of water.

The 2010 Natadola and Momi Bay Decrees effectively forced the takeover of private assets, extinguished creditors' claims, and excluded the jurisdiction of the courts from the transfer of properties in dispute to the Fiji National Provident Fund (FNPF). This action left no recourse for foreign investors who had filed legal challenges, as those challenges were terminated from the court process by the Natadola and Momi decrees. Further taxes imposed on Fiji Water and other water companies cannot be challenged in the courts, and the decisions of Fiji Revenue and Customs Authority (FRCA) in this respect are also outside the purview of the courts, by government decree.

4. Dispute Settlement

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

The legal system in Fiji developed from British law. Fiji maintains a judiciary consisting of a Supreme Court, Court of Appeal, a High Court, and magistrate courts. The Supreme Court is the final court of appeal.

In April 2009, upon the abrogation of the constitution, the entire judiciary and the Director of Public Prosecutions were dismissed and required to reapply for their jobs, with only legal officials considered friendly to the coup regime re-appointed. To fill vacancies in the judicial system, Fiji has recruited prosecutors and judges on contract mainly from Sri Lanka.

Both companies and individuals have recourse to legal treatment through the system of local and superior courts. Laws govern all aspects of commercial transactions, including bankruptcy law, and the courts have generally enforced these laws in a transparent and consistent manner. A foreign investor theoretically has the right of recourse to the courts and other tribunals of Fiji with respect to the settlement of disputes, but government decrees have been used to block

foreign investors from legal recourse in investment takeovers, tax increases, or write-offs of interest to the government.

Bankruptcy

Fiji has bankruptcy laws. According to World Bank Doing Business 2015 survey, in terms of resolving insolvency, Fiji was ranked at 91 out of 189. The survey estimated that it took 1.8 years at a cost of 10 percent of the estate to complete the process, with an estimated recovery rate of 46.2 percent of value.

Investment Disputes

Past investment disputes have often focused on land issues, particularly in the mining 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.

International Arbitration

Fiji is a member of the International Center for Settlement of Investment Disputes (ICSID), and signed its convention in 1977.

ICSID Convention and New York Convention

Fiji acceded to the New York Convention in September 2010.

Duration of Dispute Resolution

The World Bank Doing Business 2015 survey ranked Fiji 81 out of 189 on the efficiency of the judicial system to resolve a commercial dispute. According to the survey, Fiji required 34 procedures to enforce a contract and took 397 calendar days to complete procedures at a cost of 38.9 percent of the value of the claim.

5. Performance Requirements and Investment Incentives

WTO/TRIMS

Fiji has been a member of WTO since January 1996. According to Fiji's trade profile on the WTO website, there are no records of disputes.

Investment Incentives

Foreign investors can apply for incentives following registration with Investment Fiji. Information on incentive packages for investors can be obtained from the Fiji Revenue and Customs Authority (<http://www.frca.org.fj/>). Incentives offered include preferential tax treatment and duty free or low duty treatment of imported materials and equipment. The incentives reflect the Fiji government's long-term concerted efforts to encourage exports and

develop priority sectors, including tourism, commercial agriculture, fisheries, forestry, the filmmaking and audio visual industry, and the information technology industry. Fiji also established a tax free region in the northern and maritime island regions of the country to encourage rural development, and introduced incentives to encourage investment in bio-fuel and renewable energy.

Tourism incentives include tax-related investment allowances for approved expenditures on tourist boats/ships and approved building and expansion projects. The tourism incentive package provides a 10-year tax holiday for approved large tourism development projects with capital investments of more than USD 3.7 million (FJD 7.4 million) to be completed before December 31, 2018. Filmmaking and audio-visual incentives include a 47 percent tax rebate on production costs spent in Fiji up to USD 12 million, which is a maximum allowable tax rebate of USD 5.64 million. There are various incentives to encourage investment in the agriculture, fisheries, and forestry industry including zero-rated fiscal duty on imported agricultural machineries, equipment and inputs, and specialized equipment and machinery for forestry and fisheries. The benefits, which can be up to a 10-year tax holiday, vary by industry and nature of the investment.

Research and Development

U.S. and foreign firms may participate in government financed or subsidized research as well as development programs, as technical and in-country capacities is limited. However, as such programs are usually financed by foreign development partners and donors, any conditions and limitations may be dependent on the source of project financing.

Performance Requirements

Many jobs are reserved for Fijian citizens, and work permit applications for expatriate employees may face delays or denials. Potential employers and employees should consult Fiji Immigration for further information prior to making any binding commitments as it can be difficult to secure employment visas for non-Fijians.

To support the implementation of newly approved investments, Investment Fiji 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 for investments under USD 1.25 million (FJD 2.5 million) or within 18 months of the date of approval of the project for investments above USD 1.25 million (FJD 2.5 million).

Data Storage

There is no policy of "forced localization" in which foreign investors must use domestic content in goods or technology. However, investors intending to export their goods under preferential trade arrangements may be required to show a minimum local content in the product.

6. Right to Private Ownership and Establishment

Foreign and domestic entities are able to establish and fully own their business in Fiji. However, foreign investment may be restricted in industries such as fisheries that require local partnerships

(see restricted investment activities <http://www.investmentfiji.org.fj/pages.cfm/for-investors/doing-business-in-fiji/foreign-investment-act-foreign-investment-regulations.html>). Foreign investors typically operate through a branch or a local subsidiary in Fiji. Formation of both public and private companies is possible; the process takes about a month to complete. The South Pacific Stock Exchange is able to approve investments by non-resident individuals and businesses in publicly listed companies, and authorized banks in Fiji are allowed to approve investments by non-resident individuals and businesses in fixed deposit accounts. 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 for increased capitalization should be submitted to the Reserve Bank of Fiji for processing before share certificates may be issued to non-residents.

7. Protection of Property Rights

Real Property

Land tenure and usage is a highly complex and sensitive issue. Fiji amended the Land Sales Act in December 2014 to restrict ownership of freehold land inside a city or town council boundaries areas to Fijian citizens. There are exceptions to allow foreigners to purchase strata title land, which is defined as ownership in part of a property including multi-level apartments or subdivisions. Foreigners will also still be allowed to purchase, sell, or lease freehold land for industrial or commercial purposes, residential purposes within an integrated tourism development, or for the operation of a hotel licensed under the Hotel and Guest Houses Act. The Land Sales Act also requires foreign land owners who purchase approved land to build a dwelling valued at a minimum of USD 125,000 (FJD 250,000) on the land within two years, or land-owners face an annual tax valued at 20 percent of the land value (applied as 10 percent every six months). Freehold land currently owned by a non-Fijian can pass to the owners' heirs and will not be deemed a sale.

The government of Fiji received criticism from foreign owners for the speed at which the act was passed and the perceived lack of consultation with foreign land owners and developers. The application of the Land Sales Act continues to create uncertainty among foreign investment as the Fiji government has yet to provide further clarification of the act, such as defining what constitutes an integrated tourism development. There is also limited capacity of construction and architecture firms, making it a difficult to comply with the two year time frame of building a dwelling before tax penalties set in.

According to the World Bank's Doing Business Report, on 'Registering Property' took a total of 69 days to register property and four main processes, including conducting title searches at the Titles Office, presenting transfer documents for stamping at the Stamp Duty office, obtaining tax clearance on capital gains tax, and settlement at the Registrar of Titles Office.

Ethnic Fijians communally hold approximately 87 percent of all land. Crown land owned by the government account for 4 percent, while the remainder is freehold land, which private individuals or companies hold. All indigenous land, commonly referred to as iTaukei land, is

held in a statutory trust by the iTaukei Land Trust Board (TLTB) for the benefit of indigenous landholding units.

To improve access to land, the government established a “land bank” in the Ministry of Lands under the land use decree for the purpose of leasing land from indigenous landowning units through the TLTB and subleasing the land to individual tenants for lease periods of up to 99 years. As of November 2014, 8,579 hectares of land had been registered with the Land Bank. The Land Bank, however, began leasing land directly to tenants, without TLTB involvement and sometimes with undue pressure on landowners to “deposit” their land in the land bank. In 2011 revisions were made to the formula for distributing lease proceeds to indigenous landowners, abolishing the system of chiefly privilege in land lease income distribution and providing for a “one person, one share” system. This change contributed to an increase in lease renewals, as individual members of landowning units received a greater share of lease monies than under the previous system.

The constitution includes other new provisions protecting land leases and land tenancies, but observers noted that the provisions seemed to have unintended consequences, including weakening the overall legal structure governing leases and other such contracts.

The availability of Crown land for leasing is usually advertised. This does not, however, preclude consideration given to individual applications in cases where land is required for special purposes. Government leases for industrial purposes can be up to 99 years with rents reassessed every 10 years. TLTB leases for land nearer to urban locations are normally for 50-75 years. Annual rent is reassessed every five years. The maximum rent that can be levied in both cases is 6 percent of unimproved capital value. Leases also usually carry development conditions that require lessees to effect improvements within a specified time.

Apart from the requirements of the TLTB and Lands Department, town planning, conservation, and other requirements specified by central and local government authorities affect the use of land. Investors are urged to seek local legal advice in all transactions involving land.

Intellectual Property Rights

Fiji’s Copyright Laws are in conformity with World Trade Organization (WTO) Trade Related Aspects of Intellectual Property (TRIPS) provisions. Copyright laws adhere to international laws, and while there are provisions for companies to register a trademark or petition for a patent in Fiji through the Office of the Attorney General, trademark and patent laws are outdated. Furthermore, the enforcement of these laws remains inadequate. There is no protection for designs or trade secrets.

Illegal materials, and illegal reproductions of films, sound recordings, and computer programs are widely available throughout Fiji. In 2013, a local company was fined for the illegal sale and reproduction of movies. The government is reviewing trademark and patent laws, but capacity is a challenge.

Resources for Rights Holders

Fiji Intellectual Property Office
Office of the Attorney General
Level 7 Suvavou House, Victoria Parade, P.O. Box 2213 Government Buildings, Suva, FIJI
Telephone Number: (679) 3309866

American Fiji Chamber of Commerce (AmCham) Level 4 FNPF Place
343 Victoria Parade
PO Box 12499
Telephone Number: (+679) 3305510

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.
U.S. Embassy Point of contact: U.S. Embassy Suva Commercial Office
commercialsuva@state.gov

Link to public list of local attorneys: <http://suva.usembassy.gov/attorneys.html>

8. Transparency of the Regulatory System

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, shuffling of permits among government ministries, inconsistent and changing procedures, lack of technical capacity, and slow decision-making. The Biosecurity Authority of Fiji (BAF) regulates all food and animal products entering Fiji and has stringent and costly point-of-origin inspection and quarantine requirements upon foreign goods. United States dairy, fresh food, and frozen food exports face severe bureaucratic hurdles entering the Fiji market.

Fiji's constitution provides for public access to government information and for the correction or deletion of false or misleading information that affects each person. The constitution requires that a freedom of information law be enacted, but does not specify a deadline for parliament to pass such a law.

9. Efficient Capital Markets and Portfolio Investment

The capital market is regulated and supervised by the Reserve Bank of Fiji. Eighteen companies were listed on the Suva-based South Pacific Stock Exchange (SPSE) in 2014. At the end of 2014, market capitalization at USD 453 million (FJD 907 million) rose by 14 percent. To promote greater activity in the capital market, the government lowered corporate tax rates for listed companies from 18.5 percent to 10 percent and has exempted income earned from trading of shares in the SPSE from income tax and capital gains tax.

Money and Banking System, Hostile Takeovers

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

There are six trading banks with established operations in Fiji: ANZ Bank, Bank of Baroda, Bank of South Pacific, Bred Bank, Home Finance Corporation and Westpac Banking Corporation. Non-banking financial institutions also provide financial assistance and borrowing facilities to the commercial community and to consumers. These institutions include the Fiji Development Bank, Credit Corporation, Merchant Finance, and insurance companies. The banking sector is well capitalized and as of December 2014, total assets of commercial banks amounted to USD 3.8 billion (FJD 7.4 billion).

10. Competition from State-Owned Enterprises

State-owned enterprises (SOEs) in Fiji are concentrated in utilities and key services and industries including Aerospace (Fiji Airways, Airports Fiji Limited); Agribusiness (Fiji Pine Ltd); Energy (Fiji Electricity Authority); Food processing (Fiji Sugar Corporation, Pacific Fishing Company); Information & Communication (Amalgamated Telecom Holdings); and Media (Fiji Broadcasting Corporation Ltd). There are 11 Government Commercial Companies which operate commercially and are fully owned by government, six Commercial Statutory Authorities (CSA) which have regulatory functions and charge nominal fees for their services, six Majority Owned Companies (MAC), and one Minority Owned Company (MIC) with some government equity in the company. The SOEs that provide essential utilities, such as energy and water, also have social responsibility and non-commercial obligations.

Aside from the CSA's, SOEs do not exercise delegated governmental powers. In the energy sector, the Fiji Electricity Authority is the generator and distributor of energy as well as the industry regulator. SOEs benefit from economies of scale, and may be favored in certain sectors. The Fiji Broadcasting Company Ltd (FBCL) is exempt from the Media Decree which governs private media organizations and exposes private media to lawsuits and has been designated an essential industry under the Essential National Industries Decree (ENID). In some sectors, the government has pursued a policy of opening up or deregulating various sectors of the economy, even those where an SOE had a monopoly status, such as international airline routes. The government is expected to complete the sale of a number of its blue-chip public assets in 2015, including Airports Fiji Ltd and Fiji Government Printing and Stationary Department, to raise an estimated USD 267 million (FJD 534 million).

OECD Guidelines on Corporate Governance of SOEs

SOEs follow a normal corporate structure with a board of directors and executive management. All SOEs have boards of directors who are appointed by a cabinet minister. Some SOEs have board seats allocated specifically to the heads of certain government departments. Usually the Permanent Secretary for Finance is a board member. There is no explicit requirement for SOEs

to consult government before making policy decisions but officials probably do so under current government scrutiny.

All SOEs are required to publish annual reports, although not all SOEs comply. Fiji hosts domestic and international auditing firms, and Fijian standards are comparable to international financial reporting standards. Although the government requires a rate of return of 10 percent by SOEs, this is not strictly enforced, and generally the performance of SOEs is poor.

Sovereign Wealth Funds

There is no sovereign wealth fund or asset management bureau in Fiji. The country has the Fiji National Provident Fund which manages and invests members' savings for their retirement. The fund invests in equities, bonds, commercial paper, mortgages, real estate and various offshore investments.

11. Corporate Social Responsibility

Corporate Social Responsibility (CSR) is still a relatively young concept in Fiji, although it is increasingly promoted, with both multi-national companies and established large local companies practicing CSR through charitable foundations. Major companies' advertising often promotes the company's social benefits or charity sponsorships. There is no official favoring of CSR-friendly businesses, and consumers tend to seek value for price. The government has included a social responsibility component for SOEs that provides essential utilities.

OECD Guidelines for Multinational Enterprises

Although the government has included a social responsibility component for SOEs, there are no requirements for companies to publicly disclose information on its CSR.

12. Political Violence

The country has been a constitutional republic since general elections held on September 17, 2014 ended eight years of military rule. In an election deemed free and fair by the international community, citizens elected Josaia Voreqe Bainimarama as prime minister. Bainimarama overthrew the elected government in a bloodless coup in 2006. In 2009 the interim government he headed abrogated the existing constitution, imposed a state of emergency, and, in the absence of a parliament, ruled by decree until national elections returned the country to democracy. The Public Order (Amendment) Decree (POAD) restricts freedoms of speech, assembly, and movement. The POAD, media decree, and other decrees promulgated since the 2006 coup remain in force under the new constitution.

Although there have been human rights concerns in previous years, the possibility of civil disturbances is deemed to be fairly low.

13. Corruption

The law provides criminal penalties for corruption by officials, but the government does not implement the law effectively. The government established an independent commission against corruption, the Fiji Independent Commission Against Corruption (FICAC), with broad powers of investigation. FICAC's public service announcements encouraging citizens to report corrupt government activities have had some effect on systemic corruption.

Prior to 2014, much government decision making was not transparent due to a self-censoring media, the absence of parliamentary oversight, and a lack of other checks and balances. Civil servants were under threat of criminal prosecution for disclosing government information without permission. The media published articles on FICAC investigations on abuse of office, and anonymous blogs reported on some government corruption. Post democratic elections, the return of parliamentary oversight should increase the transparency of government decision making. However, Fiji's relatively small population and limited circles of power often lead to personal relationships playing a major role in business and government decisions.

Fiji's constitution provides for public access to government information, and for the correction or deletion of false or misleading information that affects each person. The constitution requires that a freedom of information law be enacted but does not specify a deadline for parliament to pass such a law.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Fiji acceded to the UN Convention Against Corruption in 2008 but is not a party of the OECD Convention on Combating Bribery.

Resources to Report Corruption

Contact at Fiji Independent Commission Against Corruption (FICAC)
Mr. George Langman
Deputy Commissioner
Fiji Independent Commission Against Corruption (FICAC)
P.O. Box 2335, Government Buildings, Suva, FIJI
(679) 3310290
info@ficac.org.fj

Contact at Transparency International
Ms. Janine Penjueli
Chair Person
Transparency International Fiji
72 Pratt Street, G.P.O Box 12642, Suva, FIJI
(679) 3304702
oa@transparencyfiji.org

14. Bilateral Investment Agreements

Fiji has not entered into a bilateral investment agreement with the United States.

Bilateral Taxation Treaties

Fiji has not entered into a bilateral taxation treaty with the United States. Fiji has double taxation agreements with Australia, Japan, Malaysia, New Zealand, Papua New Guinea, the Republic of Korea, Singapore, and United Kingdom.

15. OPIC and Other Investment Insurance Programs

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

16. Labor

The labor force in 2013 was estimated to be 344,739. Education is compulsory until age 17, with male and female students in Fiji achieving largely the same level of education. The labor force participation rates (for population ages 15-64) for men and women were 74.3 percent and 39.3 percent respectively. National unemployment stands at around 8.1 percent, although the rates for youth and women are higher, at 19.2 percent and 11.4 percent respectively.

Fiji continues to face acute labor shortages in a broad range of fields, including the medical, management, engineering, and financial sectors, and to a lesser extent, for competent trade-skilled people in the construction and tourism industries.

The Ministry of Labor, Industrial Relations, and Employment has responsibility for the administration of labor laws and the encouragement of good labor relations. The Employment Relations Promulgation (ERP) provides for the rights of workers to join trade unions. Trade unions are independent of the government. The ERP prohibits forced labor, discrimination in employment based on ethnicity, gender, and other prohibited grounds and stipulates equal remuneration for work of equal value. There are workplace safety laws and regulations, and safety standards apply equally to both citizens and foreign workers. However, many work areas did not meet standards, and not all were monitored for compliance by the Ministry of Labor. The national minimum wage rate is USD 1.16 dollar (FJD 2.32 dollars).

In 2011, under the Essential National Industries Decree (ENID), the government restricted trade union and collective bargaining rights for workers in designated industries and corporations deemed "essential" to the national economy. These include 12 corporations in five sectors: finance, telecommunications, forestry, the public sector, and the airline industry. Fiji has been a member of the International Labor Organization (ILO) since 1974 and has ratified 37 ILO conventions of which 32 are in force and five conventions were declined.

In March 2015, the governing body of the ILO agreed to defer a commission of inquiry into allegations of violations of Fiji's commitments under ILO Conventions 87 and 98 on Freedom of Association and Collective Bargaining when Fiji agreed to implement a Tripartite Agreement to address long-standing complaints of anti-union intimidation, restrictions on freedom of expression and freedom of assembly and interference in trade union activity by administrative decree.

17. Foreign Trade Zones/Free Ports/Trade Facilitation

The northern and selected maritime regions of Fiji have been declared Tax Free Regions (TFR) to encourage development in these isolated outposts. The specific areas include Vanua Levu, Rotuma, Kadavu, Levuka, Lomaiviti, and the Korovou-Tailevu area in the east of Viti Levu. Businesses that are established in such a region and meet the prescribed requirements will enjoy a corporate tax holiday up to 13 years and import duty exemption on raw materials, machinery, and equipment.

The Kalabu tax-free zone, near the capital of Suva, hosts garment factories with designated tax-free factory status and eligible companies in the information communication technology (ICT) sector.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

Economic Data	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	2013	4,248 (FJD 8063)	2013	3,855	www.worldbank.org/en/country
Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (\$M USD, stock positions)	N/A	N/A	2013	-29	
Host country's FDI in the United States (\$M USD, stock positions)	N/A	N/A	2013	N/A	http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Total inbound stock of FDI as % host GDP	N/A	N/A	2013	4.1%	http://data.worldbank.org/country/fiji

*Source: Reserve Bank of Fiji

Table 3: Sources and Destination of FDI

IMF Coordinated Direct Investment Survey data are not available for Fiji.

Table 4: Sources of Portfolio Investment

IMF Coordinated Portfolio Investment Survey data are not available for Fiji.

19. Contact for More Information

U.S. Embassy Suva Commercial Office
158 Princes Road, Tamavua, P.O. Box 218, Suva, FIJI
(679) 331 4466
commercialsuva@state.gov