



STANDING COMMITTEE ON ECONOMIC AFFAIRS

Consolidated Report on the Review of Ministry of Industry, Trade and Tourism 2016/17 and 2017/18 Annual Reports



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Chairperson's Foreword

The Standing Committee on Economic Affairs is pleased to submit to Parliament, the Consolidated Review Report of the Ministry of Industry, Trade and Tourism (MITT) 2016/17 and 2017/2018 Annual Reports.

As we all are aware, the MITT plays a significant and crucial role in Fiji's economic growth. The Ministry works with the mission to create sustainable growth of Commerce and Industry through innovative and sound policies that would lead to improved livelihoods for all Fijians.

Innovation is an essential driver of economic progress that benefits consumers, businesses and the economy as a whole which is why the Committee was pleased to note that the Young Entrepreneurship Scheme continued to run successfully during the period under review.

The programmes and initiatives run by the Ministry are of great importance as it serves as livelihood to many Fijians. One such initiative is the Micro and Small Business Grants which had over 18,000 recipients during the period under review. The Committee recommended for stringent Monitoring and Evaluation mechanisms be implemented for all such projects to ensure that applicants are compliant of the conditions under which the grants are disbursed.

Furthermore, the roles of Cooperatives must not be undermined as it contributes towards economic development, especially in the rural sector. The Committee commended the awareness, information sessions and other services to cooperatives during the period of review and urged the MITT to expand these services to other Stakeholders such as Landowner Trustees and Provincial Councils.

The year 2016 brought its own challenges for the Ministry as it was the year Fiji had to endure the devastation caused by Tropical Cyclone Winston, despite which the Ministry continued key trade negotiations, investment promotions and policy changes to enhance the business environment in Fiji and abroad.

I would like to take this opportunity to extend our appreciation to Permanent Secretary of MITT and his team members for making time to submit before the Committee.

Finally, I would like to thank our Committee Members who were part of the team that produced this report: - Deputy Chairperson Hon. Veena Bhatnagar, Hon. George Vegenathan, Hon. Inosi Kuridrani and Hon. Ro Filipe Tuisawau. I also take this opportunity to acknowledge and thank the Parliamentary Staff who have given us invaluable support.

On behalf of the Standing Committee on Economic Affairs, I commend the Review of the Consolidated Review Reports on Ministry of Industry, Trade and Tourism 2016/17 and 2017/18 Annual Reports to Parliament.



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Chairperson – Hon. Vijay Nath

1.0 Introduction

1.1 Background

The Ministry is supported by seven statutory organizations namely Consumer Council of Fiji, Fijian Competition and Consumer Commission, Investment Fiji, Film Fiji, Tourism Fiji, Real Estate Agents Licensing Board and National Centre for Small and Micro Enterprise Development.

The MITT is responsible for formulating and implementing policies and strategies to facilitate growth in industry, investment, trade, tourism, co-operative businesses, micro and small enterprises, and enhance metrology, standards and consumer protection¹.

MITT has various Units within its Ministry that play critical roles in accomplishing the mandate of the Ministry including Economic Unit, Trade Unit, Tourism Unit, Department of National Trade Measurement and Standards, Department of Co-operative Business, Human Resource Unit, Integrated Human Resources Development Programme and Finance Unit.

Furthermore, the Trade Commissions in countries such as Australia, China, New Zealand, Papua New Guinea and the North Americas undertake key activities in promoting Fiji in terms of trade, investment and tourism in host countries.

Committee Remit and Composition

The Committee is made up of five (5) Members of Parliament, three (3) of which are Government members and two Opposition members. According to Section 109(2) (a) the Standing Committee is responsible to look into matters related to economic development, finance, banking and taxation.

¹ MITT 2017-2018 Annual Report

2.0 Findings and Recommendations

1. The Committee is aware of the important portfolios that comes under MITT and commends the Ministry for its comprehensive Annual Reports as well as the formulation and implementation of the Tourism Development Plan 2021.
2. The Committee noted that MSG Trade Agreement 2 was the region's most operative agreement which had enhanced economic integration between MSG countries. The Committee encourages the Ministry to continue to expand the scope of the agreement to cover services, investment and temporary movement of natural persons.
3. The Committee was pleased to note that over 300 applications were received for the Young Entrepreneur Scheme and recommends for the Ministry to include data to indicate the nature of businesses the applications were received for and the success rate of the ventures undertaken.
4. The Committee noted that over 18,000 recipients benefited from the Micro and Small Business Grants initiative undertaken by the Ministry during the period under review and recommends for stringent Monitoring and Evaluation mechanisms be implemented for all such projects to ensure that applicants are compliant with the conditions under which the grants are disbursed.
5. The Committee recognizes the important role of Cooperatives in economic development especially in the rural sector. It commends the awareness, information sessions and other services to cooperatives during the period of review and urges the MITT to expand these services to other Stakeholders such as Landowner Trustees and Provincial Councils.
6. The Committee noted that the Department of National Trade Measurements and Standards reactivated the Fiji Building Standards Committee (FSBC) to address the concerns raised in the aftermath of TC Winston in 2016, consequently leading to the review of the Fiji National Building Code. Given that Fiji is prone to Natural Disasters, the Committee commends the prompt action taken by the Ministry and recommends for continuous monitoring to ensure compliance with the required standards and for Building Codes to be upgraded regularly.

3.0 Sustainable Development Goals

The Sustainable Development Goals (SDGs) were adopted by Fiji and other Countries as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.

While the activities of the Ministry are cross cutting in nature, the priority SDGs of the Ministry are SDG 8: Decent Work and Economic Growth, SDG 9: Industry, Innovation and Infrastructure and SDG 10, Reduced Inequalities.

Given the cross-sectorial nature of the Ministry's initiatives, **Annexure 1²** of the Committee's report provides a non-exhaustive reporting on key contribution of the Ministry to the SDGs for the period under review 2016-2018³.

² Page 10 of the Committee Report

³ MITT 2016-2018 SDG Contribution Supplement

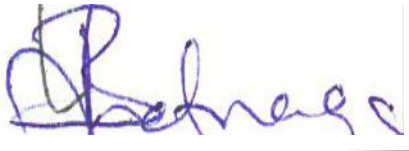
4.0 Conclusion

To conclude, the Committee is satisfied with the overall performance of the Ministry and recognizes the critical role they play in the economic development of the nation and acknowledges in particular the progress in the Tourism Development Plan, the MSG Trade Agreement 2, Co-operatives, Micro and Small Business Grants and other programmes. The Committee looks forward to a more stringent Monitoring and Evaluation Framework for the Ministry's programmes.

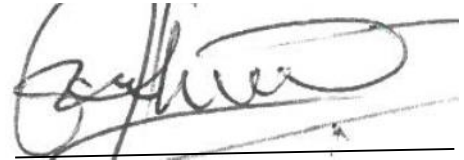
Members Signature



Hon. Vijay Nath (Chairperson)



Hon. Veena Bhatnagar (Deputy Chairperson)



Hon. George Vignathan (Member)

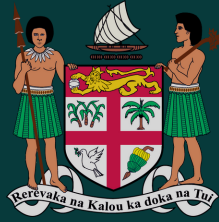


Hon. Inosi Kuridrani (Member)



Hon. Ro Filipe Tuisawau (Member)

Annexure 1: MITT 2016 – 2018 SDGS Contribution
Supplements



MINISTRY OF
COMMERCE, TRADE,
TOURISM AND
TRANSPORT

SDG CONTRIBUTION REPORT

2016-
2018

INTRODUCTION

The UN Sustainable Development Goals (SDGs), also known as Global Goals, are a set of 17 integrated and interrelated goals to end poverty, protect the planet and ensure that humanity enjoys peace and prosperity by 2030.

Reporting on the SDGs is important in communicating to our stakeholders the Ministry of Industry, Trade and Tourism's commitment to contributing to the Global Goals; claiming accountability and responsibility to take the necessary actions; and measuring progress over time.

The Ministry aspires to create a fair and inclusive society – one where Fijians of all backgrounds have equal access to opportunities, where the vulnerable are uplifted, and everyone can look to the future with optimism.

To achieve this, we seek to create favourable conditions for socio-economic growth, thereby empowering Fijians to improve their lives. Complementing this is a plethora of community-led initiatives that aim to support grassroot communities.

In essence, our approach is to foster a culture of equitable growth and prosperity so that our actions not only improve the socio-economic circumstances of Fijians, but protects the natural and cultural environment we take pride in.

MESSAGE FROM OUR LEADERS



THE GLOBAL GOALS

Spurred by a collective commitment to safeguard our planet and humanity, the community of nations overwhelmingly endorsed the 2030 Agenda for Sustainable Development in 2015. Four years on, the realisation of those goals is more critical than ever, and Fiji stands fully committed to doing our part to put the growth of the global economy on a more sustainable path by working to meet the goals and targets of the 2030 Agenda.

Over the past four years, Fiji has been leading from the front in prioritising development that is – above all else – sustainable, by ticking all the boxes of inclusive and responsible progress.

Our implementation of the 2030 Agenda has guided and helped deliver these historic national achievements, and we're undertaking this voluntary review to ensure that our future aspirations are similarly imbued with a consistent commitment to sustainable development.

We've presented our blueprint for our continued development through our transformative 5-Year and 20-Year National Development Plans which articulate

the scale of our ambition in sustainably uplifting the Fijian people.

Hon. Aiyaz Sayed-Khaiyum
Attorney-General and Minister for Economy

Message from our Permanent Secretary

Sustainable development is the only future for tourism, it should not be considered a burden, but as a means of venturing into new areas of development and investments. Therefore, domestic policies need to incentivise innovation and technology that reduces pollution and manages waste in a sustainable manner.

We must continue working towards striking the balance between tourism and sustainable development, as they are not mutually exclusive but rather complimentary.

Permanent Secretary for Industry, Trade and Tourism, Shaheen Ali, at the UN World Tourism Organization's 30th Joint Meeting of the Commission of East Asia and Pacific and Commission of the South Asia.

PRIORITY SDGS

The achievement of the SDGs is a whole-of-Government approach,

The Ministry's submission outlines how the strategies, programmes and initiatives are aligned towards these goals and targets.

While the activities of the Ministry are cross cutting in nature, the following are priority SDGs of the Ministry:



SDG 8: DECENT WORK AND ECONOMIC GROWTH

Promote Sustained, Inclusive and Sustainable Economic Growth, Full and Productive Employment and Decent Work for All



SDG 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build Resilient Infrastructure, Promote Inclusive and Sustainable Industrialisation and Foster Innovation



SDG 10: REDUCED INEQUALITIES

Reducing Inequality Within and Among Countries

MEASURING PROGRESS

Given the cross-sectoral nature of the Ministry's initiatives, this section provides a non-exhaustive reporting on key contribution of the Ministry to the SDGs for the period under review 2016-2018.

SDG TARGET	ACTIVITY / PROJECT	IMPACT
 <p>End Hunger, Achieve Food Security and Improved Nutrition, and Promote Sustainable Agriculture</p>	<p>At the core of our charge is the growth and welfare of businesses. Micro, Small and Medium Enterprises (MSMEs) provide sustainable, future-oriented business models that will create a robust and resilient economy from within.</p> <p>Launch of the Standardised Roadside Stalls project by the Hon. Prime Minister in Vakabalea, Navua. The project provides vendors with structured stalls that are safe and hygienic with the ability to withstand adverse weather conditions.</p> <p>The Ministry has the mandate to negotiate all trade related agreements and has actively participated in the WTO discussions on trade and trade-related matters.</p> <p>Through the Ministry's National Export Strategy (NES), we aim to achieve sustainable economic growth by encouraging exports, competitiveness, value addition and diversification. Approximately, S\$3.2 million grant was allocated and used for capital upgrades, value adding equipment and helping firms make the required improvements to attain internationally recognised export standards.</p>	<p>Approximately 30 stalls, permanent and portable, given to vendors around Fiji.</p> <p>National Facilitation established Trade Committee</p> <p>27 companies supported under NES in the agri-business, marine products and forestry sectors</p>

SDG TARGET**ACTIVITY / PROJECT****IMPACT**

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

With a young population, the Ministry strives to create a foundation upon which Fijians, including the vulnerable youth and MSMEs, can build their knowledge and skills to be more resilient. This further complements the Ministry's efforts to build and empower a knowledge-based society.

Through the introduction of the **Young Entrepreneurship Scheme**, we have provided young Fijians a source of funding for their entrepreneurial ventures with the key objective to ignite innovation.

Through the **FIJIAN HOSTS** programme, the Ministry provides training aimed to improve customer service tourism industry stakeholders.

The Ministry also conducted various **tourism awareness** activities through participation at workshops and community visits.

5 young entrepreneurs were financially and technically supported to start their business.

Close to 200 tourism stakeholders trained in through the FIJIAN HOSTS

Tourism Awareness:

- National Workshop on Facilitating Movement of Fijian Handicrafts
- "Connecting People to Nature and Sustainable Tourism Supporting Local Community" workshop at Dawasamu, Tailevu in partnership with Department of Environment
- Awareness with Year 10 students of International Secondary School

SDG TARGET	ACTIVITY / PROJECT	IMPACT
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With grassroots targeted programmes, such as the **Micro and Small Business Grant (MSBG)**, **Integrated Human Resources Development Programme (IHRDP)**, **Northern Development Programme (NDP)** and **Co-operatives**, we provided inclusive learning opportunities to the most vulnerable Fijians.

200 youth trained in business fundamentals, such as development of business plans, marketing plans and basic bookkeeping

Co-operative College of Fiji conducted 57 trainings on skills, management and financial literacy, starting a business and bee keeping training

IHRDP post funding support Silana EcoTourism Project, Tuvuca and Daku Women's Business Center, Lomawai Salt Making Project, Ketenatukani, Integrated Farming Project, Rewa Disabled Association and Soso Bakery.



Achieve Gender Equality and Empower All Women and Girls

The Ministry's focus has been to get more women involved in business. The Ministry remains fully committed to the advancement of women and girls -- who are amongst the most vulnerable.

Through programmes, such as MSBG, IHRDP, NDP and Co-operatives, we endeavour to create equal opportunities founded on the principle of meritocracy and inclusivity.

157 women in decision making positions in Co-operatives

12,198 women recipients of MSBG

2 women led IHRDP supported projects in Cicia and Yasawas

9 stalls or 30% roadside stalls are operated by women.

SDG TARGET**ACTIVITY / PROJECT****IMPACT**

Promote Sustained, Inclusive and Sustainable Economic Growth, Full and Productive Employment and Decent Work for All

The Ministry's were guided by the Policy direction of creation of economic activities specifically for the young, MSMEs, and in the rural communities. The provision of grants closed the financing gap that existed.

These programmes enable gainful employment of Fijians, especially in the rural and peri-urban areas. It is an effort to keep Fijians from moving to main cities and towns, and from gaining more inclusive and equitable benefits.

The **MSBG**, we provided \$1,000 grants for micro and small entrepreneurs to start or expand their businesses. It underpinned our commitment to reducing poverty, through capital injection for micro and small businesses and for business and entrepreneurial skills development.

Through the **IHRDP** we aim to address unemployment through empowering communities by providing grant funding for community-based income generating projects.

In addition, through our targeted policies and strategies, we facilitated the promotion, establishment of **co-operative** businesses in Fiji. The training and up-skilling of co-operative members and officials is also a key role of the Department.

Estimated 18,774 Fijians assisted at a value of \$18.4 million. Business activities included, farming, fishing, canteen, sewing, poultry, to name a few.

A total of 8,027 or 43% women were supported through this livelihood programme.

A total of 12 new projects were approved for funding in the two FYs, valued at \$757,009

91 Co-operatives registered
A total of 217 employment were created within co-operatives.

SDG TARGET**ACTIVITY / PROJECT****IMPACT**

Through the **NES**, we aim to achieve sustainable economic growth by encouraging exports, competitiveness, value addition and diversification. Approximately, \$3.2 million grant was allocated to the programme and used for capital upgrades, value adding equipment and helping firms make the required improvements to attain internationally recognised export standards.

7 companies were supported under NES operating in the agri-business, marine products and forestry sectors

The **NDP** targets entrepreneurs in the Northern Division under the “Look North” policy. The NDP provides equity assistance through grants to enterprises to take loans from approved lenders, including the Fiji Development Bank, commercial banks and sugarcane growers fund.

221 North-based entrepreneurs supported at a value of approximately \$1.5 million

The Ministry has the mandate to negotiate trade agreements. Development Cooperation for Fiji is a very important component of the Agreements, whether bilateral, regional or multilateral. Through these arrangements are able to negotiate trade-related support.

Engagement with trading partners to develop an Aid for Trade mechanism that supports Fiji's trade-related technical and financial assistance.

Fiji hosted two Fiji International Golf tournaments as part of the Fijian Government's partnership with the Professional Golf Association (PGA) of Australia and two Super Rugby Events.

Over 100 local suppliers engaged directly.

SDG TARGET**ACTIVITY / PROJECT****IMPACT**

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Despite being limited by natural resources, Fiji strives to achieve economic growth so as to improve the quality of life for Fijians.

Investment in infrastructure such as transport, energy, business process outsourcing and information communication technology is a critical component of socio-economic growth.

In terms of **Doing Business Reforms**, the Ministry embarked on a journey to improve the business processes and enhance Fiji's position as an investment hub.

The Ministry, in these financial years, continued to undertake **investment reforms** to create an investor friendly environment.

To ignite innovation and entrepreneurial culture, **YES** was launched.

As per the 5-Year and 20-Year National Development Plan, the Ministry is committed to positioning Fiji as a manufacturing hub of the Pacific. This includes the development of **Special Economic Zones (SEZs)** built on the "plug and play" concept, with tailor made incentives to attract investments in the services and manufacturing industries.

Redesigning of application processes for construction permits as a beginning of the doing business reform project

Review of investment framework, the legal requirements and policy. As part of the process, an **Investment Reform Map** was developed that provides a reform pathway.

5 young entrepreneurs received YES grant

While in its initial phases, the SEZ, once completed, is expected to create valuable employment for locals, increase in export earnings, contribute to technology and skills transfer and expand the economic base of Fiji

SDG TARGET**ACTIVITY / PROJECT****IMPACT**

Reduce inequality within and among countries

As a developing island nation, Fiji needs enough policy space to create economic opportunities for its people that will eliminate inequality within Fiji, and that can leverage Fiji's ability to have fair competition in the global market.

The Ministry has the mandate to negotiate **trade agreements** and having workable and practical special and differential treatment in trade agreements is priority.

The Ministry is also responsible for policies on **investment promotion and facilitation**. In 2017, the Ministry started work on the review of the investment framework. This will set the Policy and revise the legal framework.

The concluded Melanesian Free Trade Agreement provides the opportunity for Fiji to strengthen its position as a trade and economic hub of the region. It is an agreement that provides the relevant policy space for infant industry protection

Fiji was also engaged in the PACER Plus negotiations. However, there remains contentious issues in the special and differential treatment that Fiji, on behalf of all developing Pacific Island Countries is requesting. Fiji does not agree to the current text as it limits Fiji's ability to engage with more trading partners

The Investment Policy Statement will set the national vision in terms of investments. This can be used to work with development partners to look at areas of interest in terms of foreign direct investments that they could assist in facilitating

SDG TARGET**ACTIVITY / PROJECT****IMPACT**

Ensure sustainable consumption and production patterns

As an island economy, geographically isolated, Fiji is constrained by limited resources and land scarcity. To maintain a safe living environment with a high quality of life for current and future generations, the Ministry aspires to create programmes that ensure sustainable consumption and production.

The Ministry establishes **standards** for all goods and services under the Department of National Standards and Measurement. These standards look at climate resilient buildings and building materials, cleaner fuel, energy efficient appliances, to name a few.

The **Fijian Made-Buy** Campaign also solidifies sustainable production and consumption of local goods and services

Bottled Water amendment standards published

12 active standards:

- 5 - energy
- 1 - food
- 5 - building and construction
- 1 - Consumer
- Product and
- Service for Safety

957 new companies and 2,514 products were licensed under the Campaign.

SDG TARGET**ACTIVITY / PROJECT****IMPACT**

Take urgent action to combat climate change and its impacts

The Ministry continued to raise awareness on the contribution of sustainable tourism development, whilst mobilising stakeholders to work together in making the sector a catalyst for positive change.

Fiji and the Pacific Region, for the first time hosted the UN World Tourism Organisation **30th Joint Meeting of the Commission of East Asia and Pacific and Commission of the South Asia.**

In line with the **2017 International Year of Sustainable Tourism for Development (IYSTD)**, which was declared by the UN General Assembly in 2015, the Ministry continued work on the National Action Plan.

Fiji's hosting provided an opportunity to exchange information and enhance knowledge on the impacts of climate change in the Asia Pacific and highlight the Pacific's plight to strengthen collaboration and encourage bigger, more developed economies to take climate action.

Activities under IYSTD:

- Coral planting at the Outrigger Resort Fiji
- Dry forest rehabilitation at the Sigatoka Sand Dunes National Park
- Tree planting and beautification of Thurston Garden

SDG TARGET**ACTIVITY / PROJECT****IMPACT**

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

The Co-operatives Act (Act) protects the rights and duties of co-operative members.

The Act provides for resolving disputes and equal opportunities for co-operative members to raise their grievances, either through the Co-operative meetings (AGMs), through the Registrar or through the Tribunal. It also includes a Governance framework that is aligned to best practices and ensures the sustainability of the co-operatives.

The Department of Co-operatives have attended to disputes/complaints raised in relation to co-operatives.