

# ANNUAL REPORT

Financial Year 2016

## Our Vision

Creating wealth for our nation and  
achieving a better Fiji for all

## Our Mission

Developing a sustainable and  
successful nation by stimulating  
investment and exports

## Our Core Values

Professional, transparent,  
visionary, effective, influential,  
innovative, passionate and  
communicative

# PERFORMANCE SNAPSHOT

*This annual report reflects the seven months from January to July 2016.*

WE REGISTERED  
**193**  
FOREIGN INVESTMENT PROJECTS

WE REGISTERED  
**FJ\$ 952 million**  
IN PROPOSED INVESTMENTS  
OVER 3 YEARS

WE REGISTERED  
**2,284**  
IN PROPOSED EMPLOYMENT  
OVER 3 YEARS

WE IMPLEMENTED  
**FJ\$ 212 million**  
IN PROJECTS GENERATING 1,398  
JOBS THIS FINANCIAL YEAR

WE RECEIVED  
**1,822**  
INVESTMENT FACILITATION  
ENQUIRIES

WE ASSISTED  
**813**  
COMPANIES THIS FINANCIAL  
YEAR

WE CONDUCTED  
**590**  
CUSTOMER SITE VISITS

WE HOSTED  
**9**  
IN-BOUND MISSIONS AND  
DELEGATIONS

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30<sup>th</sup> July, 2017

The Minister for Industry, Trade and Tourism, Lands and Mineral Resources,  
Honorable Faiyaz Siddiq Koya  
Ministry of Industry Trade & Tourism  
Civic Tower,  
Victoria Parade,  
Suva

Dear Sir

**Re: Investment Fiji Annual Report and Statement of Accounts for the seven month ended 2016.**

Pursuant to the requirements of section 20 (1) of the Investment Fiji Act No.24 of 1986, I am pleased to submit the Investment Fiji Annual Report and Statement of Accounts for the seven months period ended from 1 January 2016 to 31 July 2016 certified by the Auditors.

Yours sincerely

.....  
Mr. Truman Bradley  
**Chairman of the Board**

# CHAIRMAN'S FOREWORD

On behalf of the Board of Directors, it is my privilege to present the annual report and consolidated financial statements of Investment Fiji for the year ending 31 July 2016.

As announced by the Honorable Attorney General and Minister of the Economy in March 2016, the Government's fiscal year end moved from December to July. Therefore this annual report reflects the seven months from January to July 2016.

These first seven months of the 2016 calendar year were difficult as Fiji battled to recover from the devastating effects of Tropical Cyclone Winston, which hit Fiji at the end of February. It was also a year of unexpected surprises such as the outcome of the Brexit referendum and the devaluation of the Chinese currency.

In Fiji, tropical cyclone Winston inflicted extensive damage on many islands and killed 44 people. A total of 40,000 homes were damaged or destroyed and approximately 350,000 people, roughly 40% of Fiji's population, were significantly impacted by the storm. Total damage from Winston is estimated at FJ\$2.98 billion.

Despite this negative impact, the Fijian economy is poised to expand by 2% this year, following on from a strong growth rate of 5.6% in 2014 and a further 3.6% in 2015. Tourism arrivals have remained steady and inward investments have been maintained.

Our investment registrations in 2016 met or exceeded our forecast for most indicators. This will lead to the creation of 2,284 jobs, when the projects are fully implemented. We hosted nine official delegations, three from Japan, two from China and Australia and one each from India and New Zealand and participated in a Trade and Investment Mission to Singapore.



The results reflect the confidence and commitment of international companies in Fiji, and are testimony to our strong value as a regional hub of the Pacific. In fact, Fiji has been ranked 8th in 'Global Best to Invest per Capita in the Asia Pacific Region' ahead of Laos and Thailand according to American based magazine 'Site Selection' in their May 2016 edition.

The passion and commitment of our people are key enablers of our success. The strength of our workforce is magnified by the experience of our leadership teams and their daily execution of our plans.

Investment Fiji will continue to promote our resource based sectors along with the manufacturing, ICT and services sectors, and create an array of opportunities for foreign companies and local businesses to invest in these sectors and in creating economic wealth for Fiji.

The year 2016 marked a major milestone for Investment Fiji, as the agency embarked on the execution of its strategic corporate change program 'Transform to Perform', developed in 2015. The objective of which was to clearly articulate Investment Fiji's mission and vision as a purpose-driven agency advancing Fiji's socio-economic development with measurable performance targets and deliberate initiatives aimed at promoting, stimulating and facilitating direct investment, both foreign (FDI) and local (LDI).

# CHAIRMAN'S FOREWORD

In an effort to deliver on our mandate of effectively serving as a catalyst for the facilitation of strategic investments into Fiji, refinements were made to the governance and management structure, with the identification of key roles, functions and department personnel. This resulted in a greater alignment in sector-based promotions and marketing and the reassignment of other support functions to increase organisational efficiency and effectiveness.

Investment Fiji has a continual focus on Board renewal, to ensure the Board represents diversity of experience and tenure. During the year, we announced the appointment to the Board of Mr. Jai Kumar, Mr. Visvanath Das, Dr. Angeela Jokhan and Mr. William Singh, and the departures of Mr. Jitoko Tikolevu, Mr. Robert (Bob) Lowres, Mr. Firoz A Ghazali and Ms. Preetika Prasad. The board provides governance over our strategy and future operating intentions, in conjunction with overseeing and monitoring organisational performance. Our Board members have extensive business and exporting knowledge.

I would like to express my gratitude to the management and staff of Investment Fiji for their contributions, and to the companies who partner with us and contribute to the growth of Fiji. The Executive team has continued to focus on transforming Investment Fiji for sustainable long-term performance

I take this opportunity to thank the Government and the Ministry of Industry, Trade and Tourism for the support and assistance which has enabled Investment Fiji in carrying out its key functions. I also thank my fellow board directors for their continuous dedication and commitment.

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*“The Executive team has continued to focus on transforming Investment Fiji for sustainable long-term performance.”*

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The coming year will be an important one for all of us. We continue to have great confidence in the long-term success of Investment Fiji: the strategy is sound and management is focused. We look forward to working closely with the CEO and the leadership team, supporting their efforts as they capitalize on new opportunities, continue to implement the ‘Transform to Perform’ corporate change program, roll out the CRM system and develop a deeper engagement with local businesses, exporters and foreign investors.

For 2016/17 we are committed to deliver a purpose-driven, vision-focused approach enabling investment flows that advance economic growth and socio-economic development through wealth and job creation as well as stimulating economic activity and sustainable economic linkages and capacity building for future progress.

.....  
**Mr. Truman Bradley**  
Chairman of the Board

# BOARD OF DIRECTORS

We are committed to excellence in corporate governance, which we believe is essential for the long-term performance and sustainability of Investment Fiji and the delivery of our strategy.

## Board Membership

The Board comprises of the Chairman, the Deputy Chairman, the Permanent Secretary of the Ministry of Industry Trade and Tourism, and six other board members. Under the Investment Fiji Act, the Minister for Industry Trade & Tourism appoints the Directors. The Directors may hold office for a period not exceeding two years but are eligible for reappointment.

This year we bid farewell to Deputy Chairman Mr. Jitoko Tikolevu who took up the position as Fiji's High Commissioner to the United Kingdom of Great Britain and Northern Ireland. We also like to thank board members Mr. Robert (Bob) Lowres, Mr. Firoz Ghazali and Ms. Preetika Prasad for their contribution to the growth and governance of Investment Fiji.

Four Board Directors were appointed in May, 2016. These Directors are Mr. Jai Kumar (Deputy Chairman), Mr. Visvanath Das, Dr. Angeela Jokhan and Mr. William Singh. Other Board Directors holding office in 2016 were Mr. Truman Bradley (Chairman), Mr. Shaheen Ali (Permanent Secretary, Ministry of Industry Trade and Tourism), Mr. Nemani Vuniwaqa, Mr. Solomon Nata, Mr. William Situ and Mr. Richard Breen.

## Board Meetings

Under the Investment Fiji Act 1986, five Directors form the quorum for a meeting of the Board. In the absence of the Chairman, the Deputy Chairman may chair in the Board Meeting.

## Strategic Planning

The Board reviews the strategic plan of Investment Fiji at least annually and monitors implementation of the strategic plan 'Transform to Perform' throughout the year.

## Ethical Standards

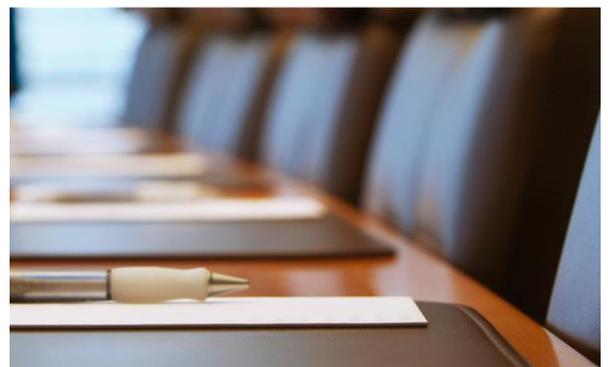
The Board is committed to acting with the utmost integrity and expects the same of every employee at every level of Investment Fiji. Employees are encouraged to raise any matters of concern with their supervisor or Human Resources. The HR Policy also applies to ensure compliance with disclosure requirements and to ensure accountability at a senior management level for that compliance.

## Confidentiality

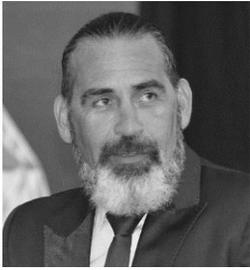
Directors must protect and hold confidential non-public information that comes to them, from whatever source, in their capacity as a Director of the Company, unless disclosure is authorized or required by law. Proceedings and deliberations of the Board and its committees are confidential.

## Communication with Third Parties

The Board believes that it is, in general, the responsibility of management to speak for Investment Fiji in communications to outside parties (e.g., investors, the press and industry associations). Directors should only engage in such communications at the request of or after consultation with management or the Ministry of Industry Trade and Tourism.



# BOARD OF DIRECTORS



**Mr. Truman Bradley**  
Chairman



**Mr. Jitoko Tikolevu**  
Deputy Chairman  
*(until May 2016)*



**Mr. Jay Kumar**  
Deputy Chairman  
*(Appointed May 2016)*



**Mr. Shaheen Ali**  
Director



**Mr. Nemani Vuniwaqa**  
Director



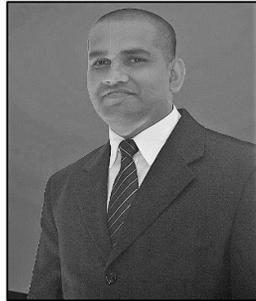
**Mr. Solomon Nata**  
Director



**Mr. Richard Breen**  
Director



**Dr. Angeela Jokhan**  
Director  
*(Appointed May 2016)*



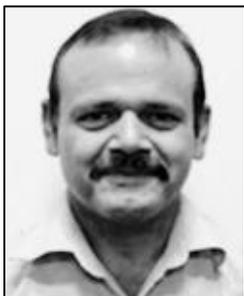
**Mr. Visvanath Das**  
Director  
*(Appointed May 2016)*



**Mr. William Singh**  
Director  
*(Appointed May 2016)*



**Mr. William W.Q. Situ**  
Director



**Mr. Firoz A Ghazali**  
Director  
*(until May 2016)*



**Ms. Preetika Prasad**  
Director  
*(until May 2016)*



**Mr. Robert (Bob) Lowres**  
Director  
*(until May 2016)*

# CHIEF EXECUTIVE OFFICER'S REPORT

Investment Fiji had a successful year in serving our local firms and engaging with investors to support the growth of our economy, showing resilience and perseverance despite the devastating effects of Cyclone Winston.

As statutory body of the Ministry of Industry, Trade & Tourism, we are guided by the overall strategies of Government. Our day-to-day philosophy is driven by a private sector ethos of delivering on our targets, being creative, looking outwardly at the performance of other countries to remain competitive and attracting direct investments both foreign (FDI) and local (LDI) to our country.

We continued to implement the corporate strategic change program '*Transform to Perform*' which was launched in 2015. Throughout this year we have aligned our strategies to meet international standards, improved our productivity and efficiency, developed an in-depth understanding of key sectors, leveraged Brand Fiji and recruited, trained and developed a high performance team to deliver on our mandate.

To improve our relevance to local SMEs, we focused on developing an in-depth understanding of various sectors and building buyer relationships in specified markets.

For 2015, total investment in the economy was around 22% of GDP. Of this, around 9% of GDP constitutes general Government investment whilst around 13% comprises investment by private and public enterprises. Such robust investment spending has supported Fiji's strong growth which averaged 4.6% over the last three years (2013 to 2015).

Throughout the reporting period, we have been closely working with local companies assisting them in the execution of their business ventures and investments leading to net investments of \$18 million and the creation of 106 employment opportunities for Fijian nationals.



We are aspiring to strengthening our business-to-business support, broadening our inward investment footprint and encouraging international business owners to locate or expand offices in Fiji.

Our efforts resulted in the successful registration of 193 foreign direct investment projects, at a projected investment value of \$952.48 million with expected 2,284 employment opportunities for Fijian nationals over a three year period.

During this year a total 46 foreign investment projects, registered in previous years, became operational at an investment value of \$212 million and a realized employment of 1,398. Reinvestment levels increased from \$26 million and 271 employees in the previous period to \$109 million and 392 employees during FY2016

Other performance indicators such as site visits, local investment assistance and investment enquiries were at higher levels than in previous years.

Operating at optimal levels and leveraging Brand Fiji delivers greater outcomes and therefore efforts to enhance our internal systems were incorporated in our operations for this financial year.

# CHIEF EXECUTIVE OFFICER'S REPORT

Agricultural Exports were severely affected by Tropical cyclone Winston with export assistance enquiries down 33% from 2015. However, early indicators for 2016/17 show a strong recovery of this sector. The latest Reserve Bank of Fiji (RBF) business expectations survey indicates positive sentiments though slightly tempered after Winston. Going forward, investment will continue to play a positive role and support the economic growth trajectory.

The Government maintains an investment target of around 25% of GDP that is essential for sustainable growth in the economy. In the 2016/17 National Budget, the Government allocated \$1.45 billion (14.7% of GDP) for capital expenditure. Increased Government spending on infrastructure and education, coupled with robust private sector sentiment, will support ongoing improvements in the capital stock and potential growth.

Sowing the seeds for future investment and enhancing trade links, Investment Fiji has participated in the Trade and Investment Mission to Singapore in April this year. We also hosted nine In-bound missions and delegations from Japan, Australia, New Zealand China and India.

Our “*Transform to Perform*” corporate transformation program continues as we develop mechanisms to collaborate more closely with our customers through formal engagement planning. Envisioned to be rolled out in 2016/17 the Engagement Model will form the bedrock of our new customer relationship management (CRM) system aimed at improving our productivity whilst managing Investment Fiji’s interactions with current and future clients. The system is designed to organize our current database of investors, exporters and buyers, ensuring our teams are operating collaboratively whilst developing knowledge management program.

I take this opportunity to thank and acknowledge the assistance received by Investment Fiji from the private sector to undertake its key roles and functions.

My sincere appreciation is also extended to the hardworking Investment Fiji team. They continue to work as one, building cross-functional partnerships and adding value to all our stakeholders, local and international. Their efforts have resulted in major achievements this year, including the re-branding of the Exporter of the Year Awards to the International Business Awards, which were launched in June 2016.

I also wish to acknowledge the support provided by the Government and in particular the Minister for Industry, Trade and Tourism Honorable Faiyaz Siddiq Koya and the Permanent Secretary Mr. Shaheen Ali for their policy directives, advise and financial assistance which enabled us to carry out our role effectively.

Our goal is to improve the business environment and achieve the best possible results for the people of Fiji. I look forward to even greater success in the year ahead and would like to thank the Chair and Board of Directors of Investment Fiji for their support and assistance during the year.

.....  
Mr. Godo Mueller-Teut  
**Chief Executive Officer**

# MACROECONOMIC OVERVIEW

*Despite the impact of TC Winston and TC Zena the Fijian economy is set to grow for a 7<sup>th</sup> consecutive year in the year ending 31 June 2016.*

Despite the slow growth of international economies, the ongoing uncertainties surrounding post-Brexit, realignment challenges in China and geopolitical tensions, the Fijian economy has shown resilience and continued to record positive growth.

Following a provisional 3.6% growth on 2015, the Fijian economy is anticipated to grow for the seventh consecutive year in 2016, albeit at a slower pace of 2.0% lower than the pre-natural disaster forecast of 3.5%.

The lower growth is mainly attributed to the devastating effects of TC Winston and TC Zena in February and April this year, which led to significant negative impact mostly in the agriculture, sugar cane, aquaculture and forestry sectors. Moreover, widespread damage to infrastructure also affected the pace of growth. The resultant shortage of agricultural products also led to hike in inflation to 5.5% compared to 1.4% in the previous year.

Whilst the accommodation and construction sector remains strong, growth was downgraded by the Reserve Bank of Fiji from an anticipated 2.4% forecast in May 2016 due to shortages in building materials and delays in post-disaster reconstruction works.

The Tourism sector continued to be buoyant and showed steady annual growth in visitor arrivals (4.9%), backed by higher tourist numbers from China (30.4%), New Zealand (18%), Pacific Islands (3.1%) and the rest of Asia (63.2%). This can be partly attributed to the Tourism Action Group marketing Fiji as a safe holiday destination after TC Winston, in addition to chartered flights from China in early 2016 and the introduction of Fiji Airways new route to Singapore and San Francisco.



In 2015, tourism earnings grew strongly by an annual 11.1% to \$1,560.2 million. Australia and New Zealand contributed the most to total tourism earnings at 53.9% and 15.9% respectively, consistent with their growth in visitor arrivals to Fiji in the same period. In the period up to 31 June 2016, tourism earnings grew by an annual 3.9% to \$715.1 million compared to \$688.5 million during the same period in 2015. Australia continued to contribute the largest tourism earnings followed by New Zealand, the United States and Continental Europe.

Investment activity for the reporting period continued to be led by post-cyclone construction activity, with domestic cement sales increasing 9.3%. Cumulative to July end, inward remittances rose by 6.5% to \$302.3 million compared to \$283.9 million during the same period 2015.

Reserve Bank of Fiji foreign reserves stood at \$1.982.4 million, sufficient to cover 5.5 months of retained imports of goods and non-factor services.

In 2017 and 2018, the economy is expected to grow by 3.6% and 3.2% respectively.

# FIJIAN TRADE POLICY FRAMEWORK

## Fijian Trade Policy Framework (2015 – 2025)

Launched by the Prime Minister in July 2015, the **Fijian Trade Policy Framework** lays out a comprehensive course of action to take the **Fijian economy** to another level by boosting the trade performance.

It reflects the changing global landscape, focuses on core **Fijian strengths** and guides **Fiji's trade, industry, investment and economic agenda** for the period 2015 to 2025 to ensure that **Fiji is, and remains the hub of the Pacific**.

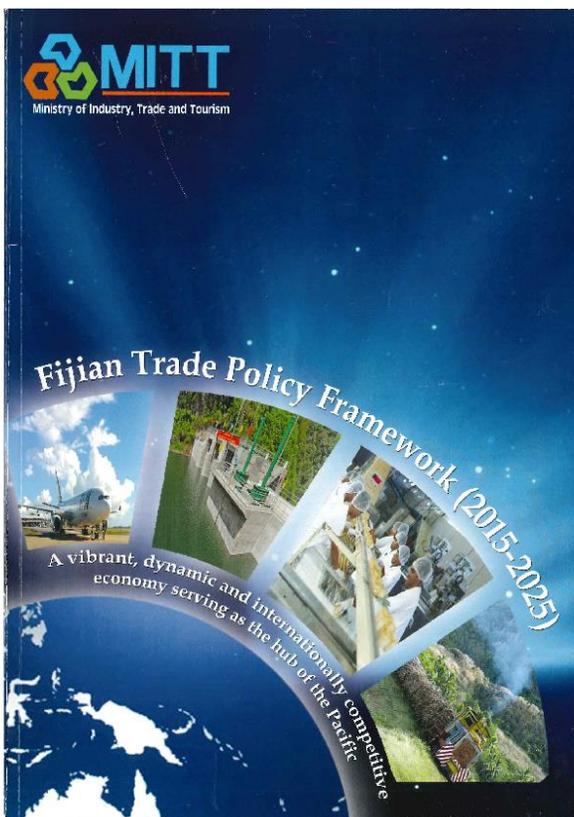
The policy is the guiding document for all agreements between **Fiji and her trading partners** with the aim of **improving and securing meaningful international market access**, which promotes the production and export of value added products in order to contribute to **job and wealth creation**.

It spells out policy measures and strategies that will drive and enhance domestic and international trade and recognises the private sector as the engine for economic growth and development.

The Trade Policy Framework is premised on the following guiding principles:

- Maintain coherence with national policies and laws;
- Pro-growth and pro-development;
- Job creation and poverty alleviation;
- Raising the standard of living for all Fijians;
- An enabling and open business environment for private sector growth;
- Export growth and diversification, and enhancement of international competitiveness;
- Sound and stable fiscal and balance of payment position;
- Promote competitiveness of domestic firms and enhancement of domestic production and service provision;
- Improve human capital and technical skills; and
- Ensure sustainable development and environmental protection.

This policy underpins **Fiji's commitment to bilateral, regional and multilateral trade frameworks** with a view to expanding and securing market access for **"Fijian Made"** goods and services and promoting **"Brand Fiji"** across global trade environments.



# GREEN GROWTH FRAMEWORK

The Government of Fiji has committed to integrating green growth into its development efforts. Green growth is a cornerstone of the new National Development Plan (NDP) for 2015-2020, which builds on the Green Growth Framework of Fiji.

Launched by the Prime Minister Hon. Voreqe Bainimarama in June 2015, the Green Growth Framework for Fiji is an innovative tool to accelerate integrated and inclusive sustainable development that inspires action at all levels in the country to build environmental resilience, build social improvement and reduce poverty, build economic growth, and build resilience to the anticipated adverse effects of climate change.

Four key elements are critical for success:

(1) Expanding and maintaining the domestic capacity to produce enough food to feed our local population, (2) diversifying our food production base to satisfy dietary needs, (3) ensuring ease of access to food by maintaining the appropriate distribution systems that link people to markets and (4) monitoring the efficiency of farms to ensure competitive local produce prices for the benefit of ordinary Fijians.

The implementation of the framework will be supported by eight guiding principles:

- 1) Reducing carbon footprints at all levels;
- 2) Improving resource utilisation and productivity;
- 3) Developing a new integrated approach across all stakeholders;
- 4) Strengthening socio-cultural education of responsible environmental stewardship and civic responsibility;
- 5) Increasing the adoption of comprehensive risk management practices;
- 6) Supporting the adoption of sound environment auditing of past and planned developments;
- 7) Enhancing structural reforms in support of fair competition and efficiency; and
- 8) Incentivising investment in the rational and efficient use of natural resources.

Ten thematic areas have been identified to stimulate sustainable future development:

## Environment Pillar

- Building resilience to climate change and disasters;
- Waste management;
- Sustainable island and ocean resources;

## Social Pillar

- Inclusive social development;
- Food security
- Freshwater resources and sanitation management;

## Economic Pillar

- Energy security;
- Sustainable transportation;
- Technology and innovation;
- Greening tourism and manufacturing industries.

*“Fiji has embraced the concept of Green Growth for a Blue Economy and that is only natural considering the prominence of marine resources for many ordinary Fijians in their everyday lives. For this reason we strongly support the proposed Sustainable Development Goal of the United Nations to conserve and sustainably use the oceans, seas and other marine resources for sustainable development. This goal gives global recognition to and promotes the challenges all of us deal with as Pacific Small Island Developing States.”*

*Speech by the Prime Minister Hon. Voreqe Bainimarama during the 39th FAO Conference in Rome July 2015.*

# FOREIGN INVESTMENT REGULATIONS

## The Foreign Investment Act

In Fiji, foreign investment is governed by the Foreign Investment Act 1999 ('Act'), the Foreign Investment (Amendment) Act 2004, the Foreign Investment Regulation 2009 and the Foreign Investment (Amendment) Decree 2013.

The Act came into force on 29 October 1999 and since its inception it has helped Fiji attract and properly manage investors from all over the world.

The Act sets out the guidelines by which a foreign investor can invest in Fiji and this is administered by Investment Fiji.

These legislations set out the guidelines in which foreign investors are to invest in Fiji. Under the Act, a foreign investor must not carry on business in Fiji unless the Chief Executive of Investment Fiji has granted the foreign investor a Foreign Investment Registration Certificate ('FIRC').

A total 17 Reserved Activities exist which are reserved for locals only and not open to foreign investors. These activities range from Milk Bar or Cafeteria Business, a taxi or a kava business, handicraft business, tailoring business, electrical and plumbing businesses, repair of household good business, day care center, plant nursery and care, internet café and amusement centers to homestay lodging to backpacker services. Other activities reserved for locals only are bakery, night club and a liquor bar other than those operated within the vicinity of a hotel or resorts operated by foreign owners.

In addition there are 8 Restricted Activities that require special consideration for approval, primarily a minimum paid up capital and Fijian national shareholding requirements. Sectors falling under the Restricted Activity list include Fishing, Forestry, Tobacco Manufacturing, Cultural Heritage Tourism Projects, Real Estate Management / Renting out of Villas to Tourists / Real Estate Development, Construction, Earthmoving Businesses and Interisland Shipping and Passenger services. The list of restricted and reserved activities is reviewed by the Ministry of Industry Trade and Tourism.

## About Investment Fiji

Investment Fiji is a statutory body formed by the Government to:

- Promote investment opportunities and facilitate development of industries, ventures or enterprises that create employment opportunities, increase exports, reduce imports, or are otherwise beneficial to the economy of Fiji;
- Assist other persons or bodies in the establishment or expansion of any such activities;
- Undertake product and market development and research either alone or jointly with any other person;
- Act as the agent for the Government on such matters as may be delegated to it;
- Advise on policies that would further enhance trade and investment;
- Make grants for purposes related to the discharge of its functions under this Act;
- Generally do all such things as may be incidental to or consequential upon the exercise of its powers or functions under this Act.

We operate independently and provide a range of services to promote investments, domestic employment and develop industries and enterprise, as well as to increase the exports of goods and services



# ABOUT INVESTMENT FIJI – OUR ROLE

Investment Fiji’s purpose is to develop a sustainable and successful nation by stimulating investment and exports. In order to do this, Investment Fiji needs to attract and develop FDI and domestic investment, enable and assist investors to set up and grow and work with new and established exporters in upskilling and promoting their products and services overseas.

Investment Fiji fulfills four primary roles: Investment Promotion, Registration and Facilitation as well as Export Promotion.

## Investment Promotion

The purpose of attracting foreign direct investment is to create employment and joint venture opportunities for local firms as well as providing access to capital. Inward investment also allows for knowledge, technology and intellectual property transfer and serves as mechanism of linkages; that is domestic firms becoming suppliers of foreign affiliates and, ideally, part of their global supply chains.

## Investment Registration

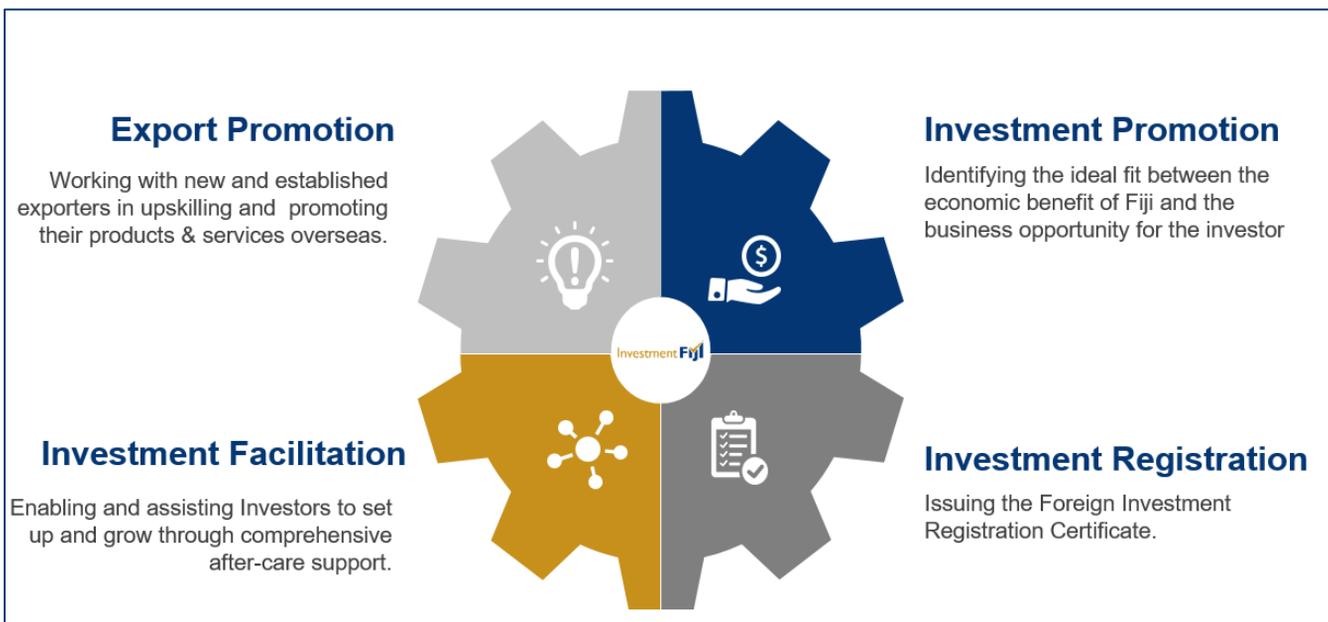
The Investment Registration Team registers investment projects by issuing the Foreign Investment Registration Certificate (FIRC) and effectively converting an investment enquiry into an actual investment. An on-line registration system has been launched in July 2015 that allows for registration irrespective of physical location.

## Investment Facilitation

The Investment Facilitation Team provides post-establishment after-care facilitation services for foreign and local investors through to developmental support to retain investment, encourage follow-on investment and achieve greater economic impact. We monitor projects by conducting site visits to ensure investors comply with the laws and requirements.

## Export Promotion

The purpose of our Trade and Export team is to increase exports in general, but particularly of those products and services that add value, allow for import substitution and contribute to employment. Our capability support programs are aimed at upskilling through training and enterprise development as well as cooperation between focused suppliers. Our trade and export support concerns assistance in identifying and entering potential new export markets.



# INVESTMENT PROMOTION

## Primary Goal

The primary goal of the Investment promotion team is to increase the quality and quantum of foreign direct investment (FDI) and domestic investment in Fiji.

The Division continues to operate along a linear path of generating leads, converting leads to prospects and confirming investment projects.

Fiji has a comparable advantage when it comes to investment and doing business, because of its strategic location as the “Hub of the Pacific”. Fiji also offers trade and investment incentives including duty concessions, investment allowances, tax exemptions and tax free regions. There are well developed banking and financial institutions, telecommunications and transportation infrastructure, along with an English speaking, well educated workforce. Fiji has dynamic trade arrangements – bilateral, regional and multilateral.

## Why Foreign Direct Investment (FDI)?

FDI not only generates foreign exchange reserves, but allows for skill and knowledge transfer, diffusion of ideas, transfer of technology and ultimately drives growth.

Foreign firms bring in new technology or upgrade existing technology. These technical and managerial skills and ways of doing business are transferred directly to local employees. Foreign firms introduce best practice to local firms that enable them to become suppliers to the foreign firms, often increasing productivity.

FDI contributes to better integration of Fiji into the world economy. Investment by foreign firms can bring about convergence in environment, labour, product, safety and technology to international standards.

## What Role do we Play?

By understanding the investor mindset, Investment Fiji ensures that our efforts are effectively oriented towards favorable investment attraction.

Our team has extensive knowledge of the local investment environment and the experience to identify the ideal fit between the economic benefit of Fiji and the business opportunity for the investor. We assist investors approaching Investment Fiji and actively promote Fijian investment opportunities both nationally and internationally.

Active promotion involves three distinct steps –

- **Identification and articulation of investment opportunities**, that need to be globally competitive and deliver tangible business benefits.
- **Targeting**, the identification of specific international businesses that could benefit from the opportunity.
- **Engagement**, the development and presentation of targeted pitches and the assistance to investors when investigating the opportunity offered.

In order to make the final decision of selecting a location, investors require quality information that is timely, reliable and up to date.



*The purpose of attracting foreign direct investment is to create employment and joint venture opportunities for local firms as well as providing access to capital. Inward investment also allows for knowledge, technology and intellectual property transfer and serves as mechanism of linkages; that is domestic firms becoming suppliers of foreign affiliates and, ideally, part of their global supply chains.*

# INVESTMENT PROMOTION

*Investment Fiji takes an active role in promoting Brand Fiji through Cross-Promotional Campaigns, Marketing Collateral, Exhibitions, Conferences, Investment Missions, Trade Missions and online tools.*

## What we Accomplished in 2016

A total 381 investment opportunity enquiries were received from local and foreign investors during the reporting period. Enquiries ranged from information requests on how to start a business, through to full support as potential investors conducted ministry and site visits. A total 47 enquiries were related to assistance pertinent to joint venture opportunities. Enquiries were received from a diverse range of nations with the most prominent being China, Australia and New Zealand. Primary sectors of interest were Services, Agriculture, Wholesale & Retail, Tourism as well as Manufacturing.

To effectively promote Fiji as a business destination and to attract FDI, we hosted 9 official inbound missions and delegations and were involved in one outbound mission.

## Investment Missions – Outbound

### Trade & Investment Roadshow, Singapore (April)

Investment Fiji in conjunction with the Ministry of Industry, Trade and Tourism participated in the Exploratory Mission to Singapore coinciding with the Singapore 7s Rugby Event and the inauguration of Fiji Airways direct flight between Fiji and Singapore.

High level meetings were attended with the Singapore Government agencies including the Singapore International Chamber of Commerce (SICC), Agri-Food & Veterinary Authority of Singapore (AYA), Singapore Corporation Enterprise (SCE), as well as private sector companies to promote Fijian products and investments into Fiji.

The CEO of Investment Fiji also held meetings with senior representatives of NZTE in Singapore. Discussions concerned access to Investors as well as import trends and market access for Fijian F&B products into Singapore and the wider ASEAN markets.



In collaboration with Westpac Banking Corporation (Singapore), the CEO of Investment Fiji Mr. Godo Mueller-Teut delivered a presentation on “Investment Opportunities in Fiji” providing an overview of Fiji, its economic and investment climate as well as highlighting investment opportunities.

Attendees included Vitol, the world’s largest independent oil traders, the Securities Association of Singapore the largest organized investor group in Asia, with almost 71,000 retail investors as members, Adcorp, South Africa’s largest diversified workforce management and business process outsourcing company, Quantum Solutions, the Singapore Post Group of Companies, as well as CapitaLand, Asia’s leading real estate company headquartered and listed in Singapore.



# INVESTMENT PROMOTION

## Investment Missions - Inbound

### Indian Delegation (Feb)

Organized by the Indian High Commission in Fiji, the delegation focused on investment and export opportunities. Investment Fiji presented an overview of Fiji's business and tax environment, tax incentives and investment opportunities for Indian corporations in the manufacturing, tourism and agriculture sectors.

### Australian Infrastructure Mission (Apr)

A three day seminar was facilitated in conjunction with Austrade and Pacific Islands Trade & Invest. The mission was focused on attracting Australian investors from the Infrastructure Sector. The seminar was held from the 12<sup>th</sup> to 14<sup>th</sup> April 2016 at the Grand Pacific Hotel in Suva with 41 participants from 31 Australian infrastructure companies in attendance. Fiji Government Departments and Agencies presented at the seminar and site visits to the Kinoya Power Plant (FEA) and Wailoku Reservoir (WAF) in addition Investment Fiji organized 21 one-to-one meetings with domestic companies and agencies. The CEO of Investment Fiji, delivered a presentation on the role of Investment Fiji, bi-lateral trade, and investment opportunities for Australian Infrastructure companies. The delegates had informative and productive meetings in Fiji leading to the successful commencement of business for over 8 of the participating delegates.



### 2016 Road Show of Guangdong Premium Products in Pacific Islands (June)

On June 25, the 2016 Road Show of Guangdong Premium Products in Pacific Islands was held in Fiji. The Road Show was organized by CCPIT Guangdong, Fiji Ministry of Industry, Trade and Tourism, Investment Fiji, Fiji-China Business Council and Pacific Trade Invest China. The Minister for Industry, Trade & Tourism Honorable Faiyaz Siddiq Koya, the Ambassador to China in Fiji H.E. Mr. Zhang Ping and the Vice President of CCPIT Guangdong Mr. Qiu Zhaoxian, presented at the event. The CEO of Investment Fiji delivered a speech on current market dynamics and investment opportunities for Chinese companies in Fiji.



### Japanese Delegation to Fiji (June)

Organized by the Embassy of Japan in Fiji and Japan International Cooperation Agency (JICA), the delegation focused on investment and export opportunities. Their visit was a follow-up from an initial visit in December 2015 when a high-level Minister led Japanese delegation visited Fiji to renew bilateral ties in investments, trade and tourism. The CEO of Investment Fiji presented an overview of Fiji's business environment, incentives and investment opportunities for Japanese corporations.

# INVESTMENT PROMOTION

## Investment Missions - Inbound

### New Zealand, Trade & Investment Mission (June)

Investment Fiji in conjunction with the New Zealand Fiji Business Council (NZFBC), Pacific Trade & Invest (PT&I) and New Zealand Trade & Enterprise (NZTE) organized a Trade and Investment Mission to Fiji from the 27<sup>th</sup> June to 01<sup>st</sup> July, 2016. Investment Fiji facilitated one-to-one meetings, seminars, site visits, media coverage, and transportation for this Mission. The two-day seminar was held at the Tanoa International Hotel in Nadi and Tanoa Plaza, Suva followed by one to one meetings with Government Departments and local companies in Fiji. In his presentation, The CEO of Investment Fiji provided an overview of the investment climate in Fiji, bi-lateral trade data and highlighted sector specific investment opportunities.



### Fiji-China Business Exchange Summit & High-level Trade and Investment Seminar (Jul)

The seminar was organized by the Ministry of Industry, Trade and Tourism, the Fiji Consulate Generals Office in Shanghai and Investment Fiji, and attended by the Minister for Industry, Trade & Tourism Honorable Faiyaz Koya. The seminar focused on investment opportunities in Real Estate, Property Development, Manufacturing and Power Generation. During his speech the CEO of Investment Fiji commended the growing trade, investment and economic relationship between China and Fiji and highlighted key trade indicators.

### Fiji Business Process Outsourcing Mission, Australia (Jul)

Investment Fiji in conjunction with Pacific Trade & Invest (PT&I), Fiji's Consulate Generals Office in Sydney and the Fiji High Commissioner to Australia H.E. Mr. Yogesh Punja, organized a Trade and Investment Mission to Fiji from the 26<sup>th</sup> – 28<sup>th</sup> July, 2016 showcasing Fiji's business processing outsourcing (BPO) capabilities.

The delegation met with Government ministers; attended presentations by Government offices, accounting and legal firms; and visit all main BPO providers including ANZ Bank's Pacific Operations Centre, Mindpearl, Pacific Centrecom and Packleader. The CEO of Investment Fiji delivered a presentation on the BPO Sector in Fiji, regularity and investment opportunities as well as the role of Investment Fiji. As a result of the BPO mission, two participating companies, including Trek Australia, are considering setting up BPO operations in Fiji.



# INVESTMENT FACILITATION

*The Investment Facilitation Team registers investment projects by issuing the Foreign Investment Registration Certificate (FIRC) and converts an investment enquiry into an actual investment.*

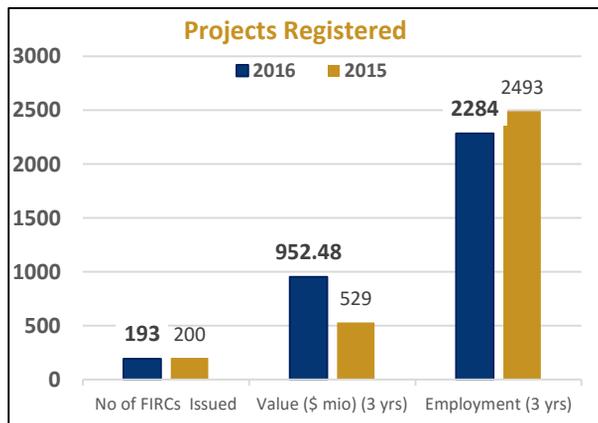
As part of our proactive approach to ensure investment enquiries convert to actual investments, Investment Fiji has developed a comprehensive range of post-investment or after-care services.

The reforms initiated by Investment Fiji through its 'Transform to Perform' corporate change program were continued throughout 2016, as we implemented a customer centric investment facilitation strategy aimed at generating a deeper understanding of the investors' business goals.

## Investment Registrations in 2016

During the reporting period, Investment Fiji attended to a total of 1,822 investment related enquires, which included face-to-face, telephone discussions, emails and written correspondence. Enquiries focused largely on the business environment, tax incentives and concessions; the Dual Citizenship Decree, the Foreign Investment Regulation (FIR) 2009 and Foreign Investment (Amendment) Act 2013 and other relevant aspects. Compared to the same period 2015 (Jan-Jul), there was an increase of 128% in inquiries.

A total 193 Foreign Investment Registration Certificates (FIRC's) were issued at a total proposed investment value of \$952 million and expected employment of 2,284 over a three year period as depicted below.



The service sector accounted for 87 projects, followed by wholesale & retail with 43 projects throughout 2016 (Jan-Jul). Tourism projects comprised of 23 projects whilst a total 14 projects were registered in the Agriculture & Forestry Sectors, a growth of nearly 250% when compared to the previous year.

During the reporting period, Chinese investors accounted for 39% of total investors, showing particular interest in Wholesale and Retail, Service, Tourism, Real Estate and Manufacturing. A total 14% percent of investors were Australians while 5% were from New Zealand and 52 Fijian investors formed joint ventures with foreign investors to conduct business in Fiji.

The Tourism Sector continues to attract the majority of capital intensive investments to the country with 23 tourism related projects registered at a \$752 million during the reporting period. The most notable project was the registration of Chinese owned, Guangdong Silkroad Ark Investment Co (Fiji) Limited that will develop the \$500 million Wyndham SilkRoad Ark Fiji Hotel near Komave Village along the Coral Coast.



# INVESTMENT FACILITATION

## Projects Implemented

Investment Fiji monitors registered projects in order to generate a clear understanding when a proposed project becomes implemented. The process concerns the establishment of close relationships with investors, site inspections and collaboration with other government agencies and departments. Projects can take several years to implement from the time of registration in particular in the tourism, real estate, energy and mining sectors.

In 2016 (Jan-Jul), a total of 46 projects reached the implementation phase, that is they became commercially operational at a value of \$212m and generating 1,398 full time jobs for Fijians.

Fuelled by the 'Transform to Perform' corporate change program, the value implemented projects has been increasing.

## Implemented Projects from 2013 to 2016

Year	No. of Projects	Value FJ\$ million	FTE
2013	74	\$319.38	2,583
2014	74	\$330.53	946
2015	90	\$363.01	590
<b>2016*</b>	<b>46</b>	<b>\$212.23</b>	<b>1,398</b>
<b>Total</b>	<b>284</b>	<b>\$1,225.15</b>	<b>5,517</b>

*\*2016 reflects the seven months from January to July 2016.*

Over the 4 year period 2013 to 2016\*, a total 284 projects were implemented at a combined value of FJ\$ 1,225.15 million creating a total of 5,517 full time jobs.

In addition the conversion rate of proposed to implemented projects has significantly grown from 19 in 2010 to 90 in 2015 and 46 during the reporting year. When compared to 2015 (Jan-Jul) the number of projects implemented and actual value grew by 119% and 183% respectively.

## Facilitation of Registered Projects

Investment Fiji conducted 590 site visits in 2016 (Jan-Jul) across its divisions. A total 314 visits were carried out by the Investment Facilitation team. This involved liaising and attending to issues faced by investors and working with other investment approved agencies by organizing meetings and site visits. Investment Fiji also assisted foreign investors who required work permit or work visa extensions, by providing progress reports to the department of Immigration.



Investment Fiji has also assisted 813 foreign registered projects in the form of amendments and changes to their business name, business activities, shareholding structure, extension of time, cancellation of FIRC and other requests.

## Facilitation of Reinvestments

Reinvestments are also strong indicators of investor confidence in the Fijian economy. While there has been huge interest from prospective investors, existing investors continue to reinvest in Fiji. In 2016, reinvestment by 26 investors were valued at \$109million, an increase of 307% compared to 2015 (Jan-Jul), generating 392 employment opportunities for Fijian citizens.

As part of achieving economic growth for Fiji, it is imperative that local investment projects are assisted through facilitation that will lead to successful implementation of projects. Investment Fiji assisted 4 local investors valued at \$10 million. These investment ventures by locals have created 10 employment opportunities in the country.

# INVESTMENT FACILITATION

## Approval Processes and Procedures.

Prior to commencement of setting up a business, the foreign investor has to apply and obtain approvals from the following agencies:

- Registrar of Companies for the reservation of company or business names (*Tier 1*).
- Investment Fiji to issue the Foreign Investment Registration Certificate (*Tier 1*)
- Registrar of Companies for registration of company/ business names (*Tier 1*)
- FRCA for Tax and VAT registration (*Tier 1*)
- RBF for Issuance of shares and partnership interest (*Tier 1*)
- Department of Immigration for work permit
- Local town or city councils for business license to operate in a respective area
- FNPF for employer and employee registration.

Before issuing a FIRC, Investment Fiji conduct its own due diligence to ensure the investor is genuine. Further approvals maybe needed from other government agencies depending on the nature of the project.



## Single Window Clearance System

An on-line registration system has been launched by the Honorable Prime Minister in July 2015. The on-line gateway allows investors to deal directly with Tier One agencies of the Fijian Government to obtain the necessary approvals and make the necessary payments. Investors can now reserve and register their company name with the Companies Office, can obtain a tax identification number from FRCA, obtain share issue approvals from the Reserve Bank as well as obtaining their Foreign Investment Registration certificate.

Creating an efficient platform that improves the ease of doing business in Fiji has been a long-standing goal for government. The system not only expedites the processing time, but it also allows for greater levels of transparency as investor are able to track and monitor the progress of their applications across all agencies.

A promotional video has been commissioned highlighting the 7 steps to investing in Fiji.



# TRADE & EXPORT PROMOTION

*The primary goal of the export promotion team is to work with new and established exporters in upskilling and promoting their products and services overseas.*

In line with the Fiji Trade Policy Framework, Investment Fiji is committed to transform Fiji's thriving economy into a vibrant, diversified and internationally competitive export-led growth economy; accomplished by enhancing the performance of the manufacturing and service sectors contribution to economic growth, as well as focusing on other growth areas in the priority sectors.

It is therefore imperative that we provide our exporters with the right pool of knowledge and capacity building. We conduct market research and assist the exporters in finding suitable markets for their products. We also host local export and capacity building seminars and workshops.

## Trade and Export Overview

In 2016 (Jan-Jul), Fiji's total exports equated to \$1.13 billion of which \$629.1 million dollars were domestic exports, classified as products originating from Fiji.

The United States is the largest domestic export market for Fiji with a value of \$164.5 million predominantly derived from water exports. Combined domestic exports to Australia and New Zealand reached \$182.9 million, with Australian exports led by apparel and precious metals, whilst food products dominated New Zealand exports. Our other top export partners in 2016 were the United Kingdom, China, Vanuatu and Japan.

Promoting exports, assisting our local exporters benchmark to international standards is one of the important pillars of Investment Fiji. We believe our local products can compete against some of the best in the world.

## Export Assistance

Our Export Engagement Strategy launched in November 2015 allows Investment Fiji to actively engage with Fijian Exporters; strengthening relationships and creating new ones in an effort to developing a better understanding of their needs.

This inclusive business model is an operational path to short, medium, and long-term productivity growth, that allows Investment Fiji to capture and understand customer businesses, define why and how Investment Fiji is working with customers, set clearly defined outcomes of the engagement and assign transparent individual SMART activities that deliver on the promise. Following extensive research into global best practice, Investment Fiji have adapted the highly regarded Business Model Canvas concept, a strategic management and entrepreneurial tool that allows us to describe, design, challenge, invent, and pivot any business model. Investment Fiji understands that exporters products and services will need to stand out against international competition if they are to succeed.

Our Trade & Export team is working on developing new capability support programs as well as internationalization programs.

Our capability support programs are designed to build up the capacity of exporters through training and enterprise development as well co-operation between focused suppliers. Internationalization programs entail market research, introductions and targeted results driven missions as well as domestic seminars, online tools and printed materials aimed at advising exporters on market trends and potential entry strategies.

This key service is part of Investment Fiji support designed to maximize long-term benefits and to develop a comparative advantage for Fiji.



# TRADE & EXPORT PROMOTION

## Fiji the ‘Hub of the Pacific’

Fiji is the ideal re-export centre for international businesses to supply products and services to the rest of the Pacific and located at a very good vantage point and enjoys excellent air and sea connectivity across the region.

Our national airline, Fiji Airways, provides excellent service connectivity across Fiji, the Pacific, Honolulu, Los Angeles, San Francisco, Brisbane, Sydney, Melbourne, Auckland, Wellington, Christchurch and Hong Kong. The recently inaugurated direct flight to Singapore will provide significantly enhanced connectivity to South East Asia and India.

These connections do not only cater to tourist and business travelers but also enable our trading houses to export perishable commodities in a fast and efficient manner.

Being the “hub of the Pacific” Fiji is also a strategic transshipment center for cargo traded between the Pacific Island States. Total Exports to Pacific Island Countries (PICs) equated to \$278.7 million, exceeding total combined exports to New Zealand and Australia of \$242.9 million.

During 2016 (Jan- July) total exports equated to \$1.13 billion of which \$503 million or 46% were re-exports. Re-Exports to Pacific Island countries amounted to \$143 million with Tonga being the largest re-export market at \$32.9 million, followed by Kiribati with \$27.43 million Vanuatu with \$19.95 million, Papua New Guinea with \$15.5 million, Cook Islands with \$10.23 million and Samoa with \$7.25 million. Fiji has a positive balance of trade with the Pacific Island Countries at a combined \$265 million.

Other Re-exports included United States at \$49.12m, New Zealand at \$43.42m, China with \$34.59m and Australia at \$16.56m.

These figures clearly show the significance of the Pacific Islands for Fijian exports both domestic and from a re-export perspective thereby clearly demonstrating Fiji’s position as the commercial hub of the Pacific.

Fiji is part of a number of trade agreements that provide direct access of key export destinations across the Pacific Islands, Australia, New Zealand and the European Union

- The **Melanesian Spearhead Group (MSG) Trade Agreement** which is a free trade agreement that allows trade to take place freely between Fiji, Papua New Guinea, Vanuatu and Solomon Islands.
- The **Pacific Island Countries Trade Agreement (PICTA)**, which seeks to establish a free trade area among the fourteen Forum Island Countries (FICs).
- The **Interim Economic Partnership Agreement (IEPA)** which by Fiji and Papua New Guinea, and the European Community and signed by Fiji in December 2009. The IEPA provides duty free and quota free market access on all products from Fiji except for sugar and rice, which are subjected to longer transitional periods.
- The **South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA)**, which is a non-reciprocal agreement that allows Fiji and other Forum Island Countries (FICs) to export almost all of their products to Australia and New Zealand duty free. Fiji also benefits from the SPARTECA-TCF Scheme which allows its textiles, clothing and footwear (except wool and wool blend fabrics) to be exported to Australia duty free under more favourable rules of origin



*Delegates at the Melanesian Spearhead Group Foreign Ministers Meeting in Fiji, 16 June 2016.*

# TRADE & EXPORT PROMOTION

*Investment Fiji takes an active role in promoting Brand Fiji through Cross-Promotional Campaigns, Marketing Collateral, Exhibitions, Conferences, Investment Missions, Trade Missions and online tools.*

## What we Accomplished in 2016

A total 103 trade and export enquiries were received from local and foreign companies during the reporting period. Enquiries over this period were focused mainly on access to overseas market, market growth, land availability for the expansion of current businesses, biosecurity information on importing markets and overall contacts.

The division conducted 63 exporter site visits during this period. Majority of sites visited was conducted in central division while regional office facilitated the site visits for north and west. Majority of these enquires and site visits were related to agriculture, manufacturing, services, fisheries and mineral water sectors.

As the secretariat of the Fiji-PNG Business Council, the division organized six meeting for the Council and attended monthly Fiji-US Business Council meeting as co-opted executive member.

To successfully promote Fijian Made Products, the division actively hosted, attended and facilitated number of meetings, mission and events.

The Trade & Export Division also works with the Ministry of Industry Trade & Tourism in promoting The Fijian Made Buy Fijian Campaign which encourages consumers and organisations to buy Fijian Made goods and services wherever possible.

## Investment Missions – Outbound

### Trade Roadshow, Singapore (April)

Investment Fiji in conjunction with the Ministry of Industry, Trade and Tourism participated in the Exploratory Mission to Singapore coinciding with the Singapore 7s Rugby Event and the inauguration of Fiji Airways direct flight between Fiji and Singapore.



Fijian Grown and Fijian Made products were displayed at the Singapore National Stadium during the Singapore 7s.

Twelve companies provided samples for the Trade Exhibition. These were Organic Earth Fiji, Confectionaries (Fiji) Ltd, Frezco Beverages Ltd, Kahuna Herbal Products, Taki Mai, Pleass Global Limited, FMF, Goodman Fielder, Adi Chocolate, Viti Foods (Fiji) Ltd, Spices of Fiji Ltd and Kaiming Agro Processing Ltd. The exhibition was used as a platform to create awareness of Fiji and Fijian made products.

Relationships were also established with Singaporean importers and the division facilitated meetings with six potential exporters including Pleass Global Limited, Flour Mills of Fiji Ltd, Viti Foods, Confectionaries (Fiji) Limited, Pure Fiji and Kura Fresh Fiji. The meetings led to companies sending samples and initiating distribution agreements.



# TRADE & EXPORT PROMOTION

## Missions, Seminars and Events

### Fiji – PNG Business Council (Jan)

Investment Fiji as secretariat of the Council successfully organized cocktail on 25<sup>th</sup> January 2016 at the Grand Pacific Hotel to welcome and introduce Fiji's new Trade Commissioner to PNG Mr. Navitalai Tuivuniwai. Mr. Tuivuniwai, in his address to the council reiterated that the key for successful business ventures in PNG is patience, an in depth understanding of the market and the ability to find a suitable local business partner.



### Pacific Island Centre (PIC) (Jul)

Investment Fiji hosted Mr. Ryuzo (Roy) Saito, Director for the Pacific Islands Center (PIC). PIC is an international organization established by the Government of Japan and South Pacific Forum to assist Forum Member Countries in stimulating sustainable economic development and growth through promotion of trade, investment and tourism between Japan and the Forum Member Countries.

Following the successful meeting, Investment Fiji and Pacific Island Centre agreed to jointly host local trade seminar in Fiji for potential exporters and present current export opportunities in the Japanese market.

### Pacific Island Trade & Invest (PT&I) (May)

Investment Fiji facilitated trade mission by Pacific Island Trade & Invest (PT&I) from 9-10 May 2016. The mission met with five local exporters and other relevant stakeholders in Fiji. The exporters who were part of this mission were Green Gold Kava Dealers, Coconut Company (Fiji) Ltd, Organic Earth Fiji, Kura Fresh Fiji and Fiji Agro marketing Authority. The mission was a success and significantly benefited local exporters as PT&I assisted with developing market entry and growth plans.

### 2016 Road Show of Guangdong Premium Products in Pacific Islands (Jun)

With the aim of promoting trade between Fiji and Guangdong, China, 60 Chinese entrepreneurs from 46 Guangdong based companies participated in a Road Show event. The Road Show was organized by CCPIT Guangdong, Fiji Ministry of Industry, Trade and Tourism, Investment Fiji, Fiji-China Business Council and Pacific Trade Invest China.

As the first CCPIT Guangdong Road Show to Fiji, Fijian Entrepreneurs had the opportunity to network with Chinese Entrepreneurs and establish new and viable business partnerships.

# REGIONAL OFFICE FACILITATION

## Primary Goal

The primary goal of the Regional Team is to ensure that our field offices in Labasa and Lautoka provide an effective and efficient service to investors and exporters both foreign and local.

The Division has been tasked to enhance regional economic activities, identify joint venture opportunities and host local events, seminars and workshops. These offices act as coordinating body between the local business community, landowners, and regional government offices to create opportunities and overcome potential impediments.

The Regional offices ensure companies have a real voice and that these voices are heard.



*Investment Fiji office in Labasa*



*Investment Fiji office in Lautoka*

## Key Highlights

During the first seven month of 2016, the regional office engaged with landowners and conducted a number of interagency meetings designed to identify and promote investment and export opportunities.

We also worked alongside exporters in identifying new markets and working with international networks in enhancing products, packaging, labelling standards.

Our teams also assisted exporters in applying for the Fijian Made certification under the procedure and regulations as stipulated by the Ministry for Industry, Trade and Tourism.

The regional offices work alongside the Department of Immigration in completing Progress Reports by conducting site visits.

## Interagency Meetings

The Division has been working with a number of key regional offices and departments .

### Ministry of Itaukei Affairs

We successfully introduced new investors to landowners and the Itaukei Affairs Provincial Office and facilitated the initiation of a new projects in Savusavu, Rewa and Momi.

### Itaukei Lands Trust Board

Our regional teams worked alongside TLTB and respective investors in obtaining lease consent and approvals for major tourism development, agriculture and forestry projects.

### Ministry of Lands & Mineral Resources

Investment Fiji facilitated a number consultations with the foreshore unit allowing investors to obtain the waiver of fishing rights.

### Nadi Town Council, Lautoka City Council, Labasa and Savusavu Town Council.

Investment Fiji worked alongside the various councils in ensuring that Business Licenses issued are in compliance with the Foreign Investment Registration Certificate.

# HUMAN RESOURCES OVERVIEW

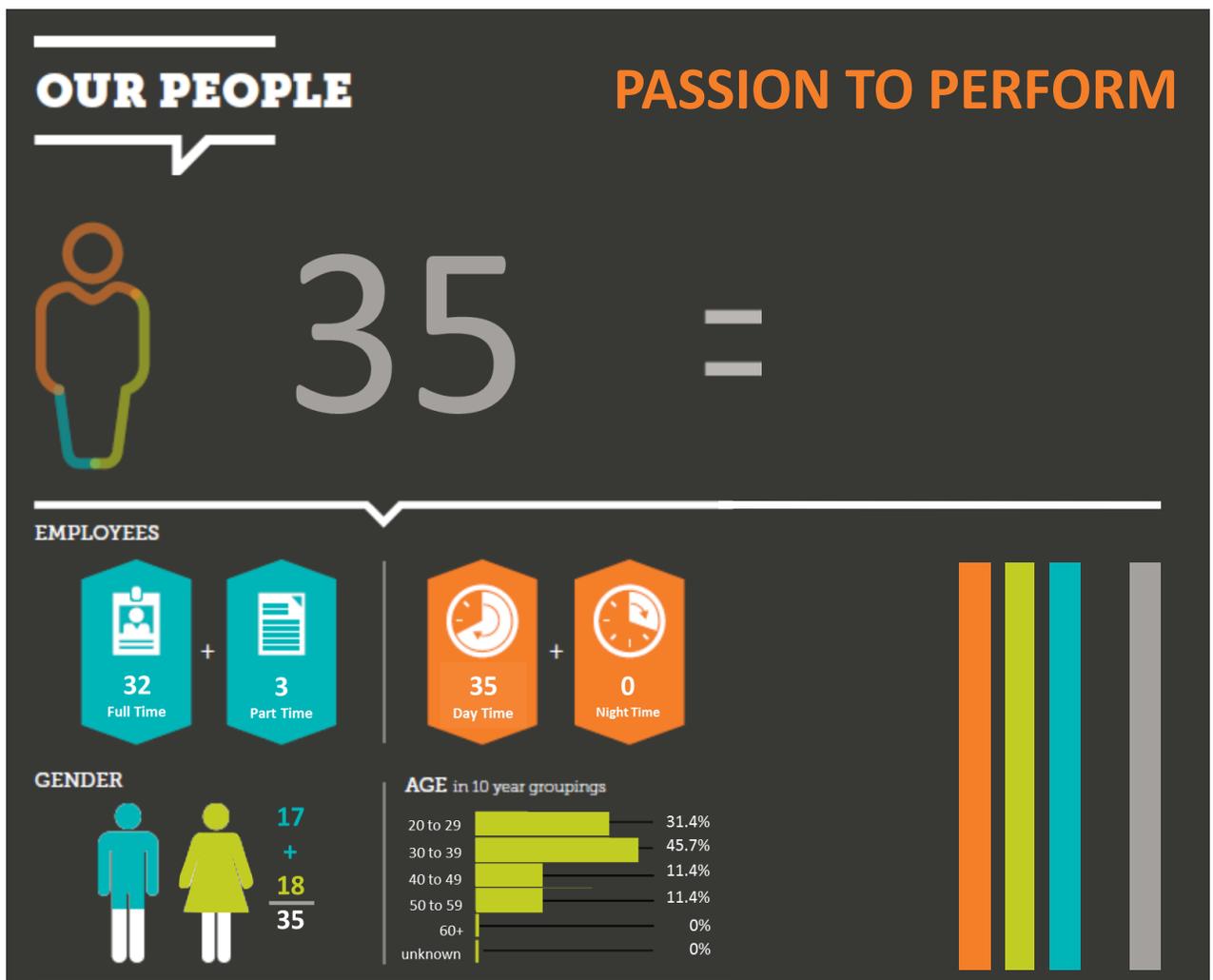
The success of our 'Transform to Perform' Corporate Change Program depends in part on our ability to retain, motivate, develop, and continue to attract employees with the skills and experience to help Investment Fiji master challenges and make the most of opportunities. Investing in our employees remains of paramount importance.

As a control function of Investment Fiji, the role of HR has changed in recent years. More than ever, it operates in partnership with senior management and all business divisions and infrastructure functions. Key to this role has been its continued focus on bringing Investment Fiji's values and beliefs to life through a long-term vision for the HR function, and specific commitments underpinning that vision.

Investment Fiji has a dedicated team of 35 employees. In our effort to boost our service delivery, we recruited 8 new employees in 2016 (Jan- Jun).

We are an equal opportunities employer and 51% of our workforce is female. Over the years our efforts have been to recruit and train young Fijians and at present 31.4% of our team members are under the age of 30.

Investment Fiji believes in continuous on-job training and mentoring. Our Annual Performance Reviews include Personal Development Goals which are reviewed on a bi-annual basis. These goals allow us in supporting our team members career aspirations.



# HUMAN RESOURCES OVERVIEW

## Organization Restructure

Investment Fiji has three major divisions with the following key responsibilities:

- Investment Promotion Division
- Investment Facilitation Division
- Trade and Export Division

## Training and Development

Training has always been an integral part of Investment Fiji's capacity building. The year started with an information exchange and planning process, where the CEO presented to the team on the new Investment Fiji challenges and its objectives for the year. With the new divisions still in the building process, many induction and learning sessions were conducted by CEO and Managers in the form of brainstorming sessions and meetings.

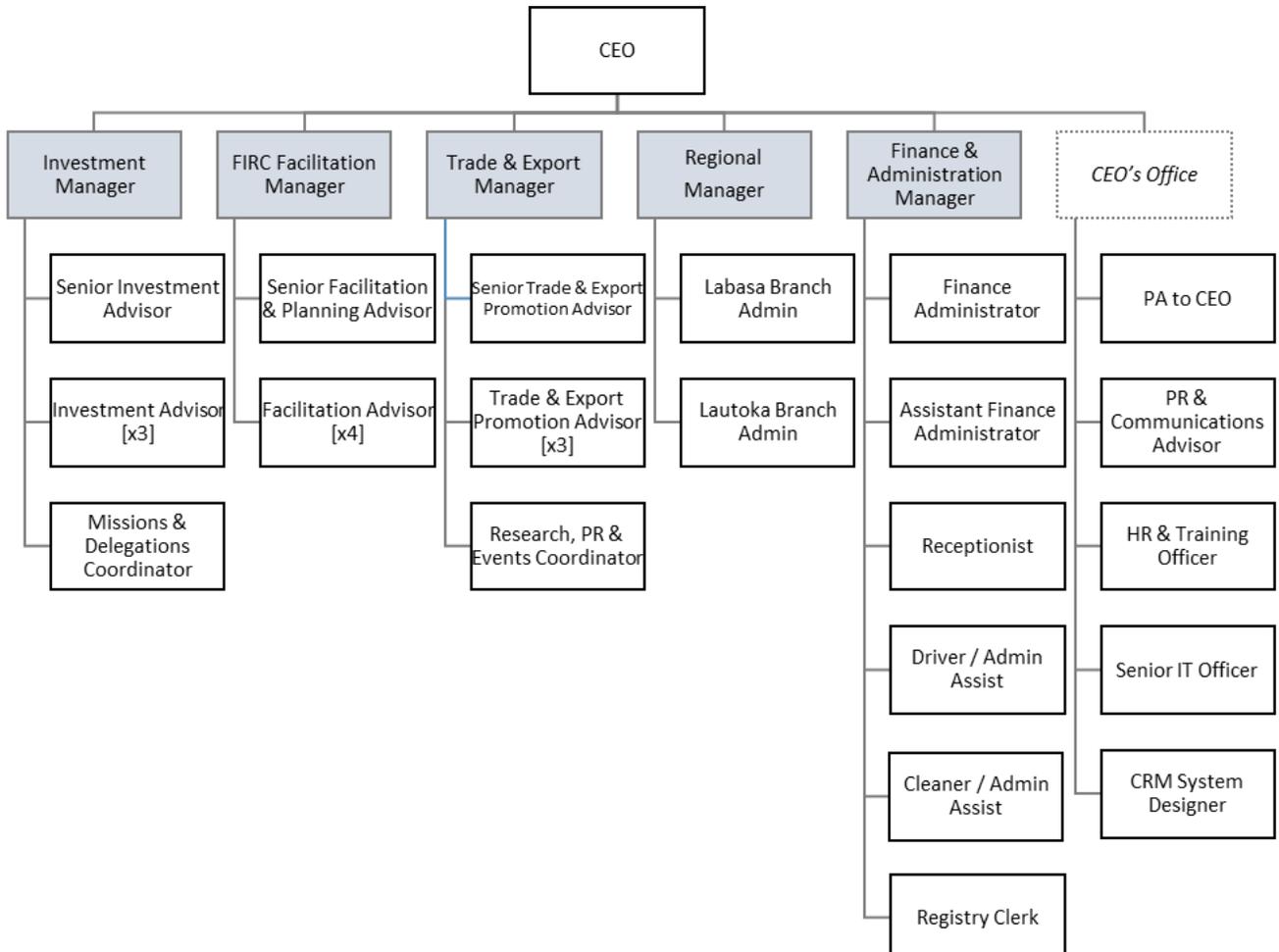
## Health and Safety in the Workplace

Five team members attended a two day training workshop in OHS modules 1 and 2 conducted by Fiji National University.

With health and safety in mind, old wall to wall carpets were replaced with new Carpets tiles in the office.

The year ended with zero injuries and zero accidents although many hazards appeared during the refurbishment and repair exercise. Staff observed caution signage and notices placed prominently around the office.

Investment Fiji continued to renew its Group Health Insurance Policy for all staff members.



# LAUNCH OF 2016 WESTPAC PRIME MINISTER'S INTERNATIONAL BUSINESS AWARD



## Westpac Prime Minister's International Business Awards 2016

Fiji's most prestigious  
Business Award

Investment **FYI**

For more than two decades, Prime Minister's Exporter of the Year Awards recognized the achievements of our exporters. In 2016, we have changed the Awards, from industry-based categories to a broader internationalization approach. Where the success of the journey rather than the category is acknowledged and where we celebrate achievements, tenacity, attitude, innovation, leadership and professional excellence.

The Prime Minister's International Business Awards celebrate Fijian business success by providing an opportunity for Fijian businesses to benchmark performance, build capability, inspire to innovate, showcase service excellence, support job creation and boost employee morale. The new logo aptly symbolizes the aspirations of the Awards. The frangipani represents our connection to our heritage and implies immortality, whilst the shark tooth symbolises courage, strength and tenacity, needed to succeed in today's business environment. Investment Fiji created an aspirational video depicting this journey.

The ethos behind the International Business Awards was not to shift the focus away from exports but to refresh and expand the awards and open it up to a wider audience. The new categories, in particular the Excellence in E-Commerce, Excellence in Innovation, Excellence in Service and the Social Responsibility Award encourages 'disrupters' and new applicants to apply whilst allowing winners to be recognised not only for their export achievements but for their contribution to nation building.

The Prime Minister's International Business Awards were launched by the Minister for Industry Trade & Tourism, Honorable Faiyaz Siddiq Koya on the 28th of July 2017 at the Grand Pacific Hotel, Suva and attended by over 150 business leaders, the diplomatic corps and senior government officials.



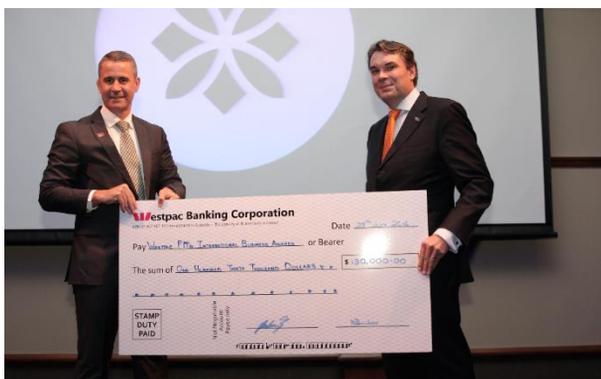
# LAUNCH OF 2016 WESTPAC PRIME MINISTER'S INTERNATIONAL BUSINESS AWARDS

The Awards consist of The Supreme Award, 3 General Categories and 8 Special Awards.

## Supreme Award

The Supreme Award, proudly sponsored by Westpac Banking Corporation is not directly entered but selected from all applications recognizing they have excelled in every part of the Awards. The Awards will be presented to a company that has demonstrated significant international growth, along with a clear understanding of overseas market.

The Winner of Supreme Award will have demonstrated commercial success and outlined benefits across multiple facets including job creation, innovation, service excellence and social responsibility. The Supreme Award was proudly sponsored by Westpac.



## General Award Categories

The General Award Categories recognize businesses who demonstrated excellence in building extraordinary and sustainable growth across three categories- Small, Medium and Large.

Celebrating the contribution of SMEs to the Fijian economy, the Westpac Prime Ministers International Business Award for the Best Small Business Operating Internationally recognises a company with sales of less than \$1 million.

The Westpac Prime Minister's International Business Award for the Best Medium Business Operating Internationally celebrates the contribution of mid market companies.

The Award winner will have a compelling story to tell and is presented to a company that has maintained consistent growth and is able to validate how it will continue to build on its success.

The Westpac Prime Minister's International Business Awards for Best Large Business Operating Internationally is open to companies with sales exceeding \$5million.

The winner will be making a significant contribution to the nation, has an engaged workforce and whose growth, compelling business strategy, ambition and effective leadership allows the company to continually innovate in order to support future growth.

# LAUNCH OF 2016 WESTPAC PRIME MINISTER'S INTERNATIONAL BUSINESS AWARDS

## Emerging Exporter of the Year Award

The Emerging Exporter of the Year Award, sponsored by Technix Pacific will be presented to an organization that has developed niche market through creativity and developed uniqueness, presentation and repertoire within a short period after the introduction of the product to the market.

This award is for a high performing company with an innovative edge, have exceeded initial targets for growth and already show a significance within the industry.

## Re-Exporter of the Year Award

The Re-Exporter of the Year Award, sponsored by Swire Shipping will be awarded to a company that has excelled in re-exporting, thus manifesting Fiji as the true hub of the Pacific.

Fiji has the best air and sea connections in the region, with a significant number of exports being transhipped to other Pacific Island Countries. The winner will demonstrate the expansion across existing or new markets, and through the introduction of creative and innovative operational processes and value adding, showing robustness in managing and developing international growth.

## Excellence in Innovation Award

Innovative individuals and organisations drive the economy. Recognising the evolving nature of business, true innovators originate forward-thinking concepts to instigate improvement.

The Excellence in Innovation Award, proudly supported by the Ministry of Industry Trade and Tourism, will be presented to a company in recognition of their innovative products and service development and business models employed to maximize international revenue. The Innovation Award will shine a light on the most innovative businesses in the country, recognising leading products and services that provide innovative solutions for new and existing market needs.



## Excellence in E-Commerce Award

The Excellence in E-Commerce Award, sponsored by Vodafone recognizes a business that has demonstrated successful e-commerce approaches to marketing products or services internationally.

With the growing impact of the digital community affecting the way business is done, coupled with Fiji's remote location in the Pacific, thousands of miles from major trading hubs in Australia, New Zealand, Asia, Europe and the Americas - E-Commerce is essential for companies to successfully enter new markets and grow their businesses overseas.

## Excellence in Service Award

The Award for Excellence in Service supported by LICl, the Life Corporation Insurance of India recognizes organizations that have achieved outstanding results through the initiatives that demonstrate leadership and commitment to service excellence marketed to an international audience.

This award is open to outstanding customer champions – businesses that operate customer-centric organisations where the customer is truly king. Celebrating those organisations demonstrating the link between customer service and profit, the Award recognises those constantly striving to exceed customer expectations, industry leading standards of service, and innovation around customer experience.

# 2016 WESTPAC PRIME MINISTER'S INTERNATIONAL BUSINESS AWARDS

## Primary Industry Business Excellence Award

The Primary Industry Business Excellence Award, sponsored by the Reserve Bank of Fiji is presented to a company for outstanding export results in agriculture, forestry or fisheries industry.

Fiji has vast agricultural potential, abundance of forests and clean oceans, we are looking for companies that have excelled in developing strong export capabilities within the primary sector. The Award aims to showcase innovation and adaptability across a number of primary industry sectors.

We are looking forward to a diverse cross section of entries supported by compelling stories, sound business models and ambitious growth plans. These can include sustainable forestry operations, fish exports, organic farming, and organized systems of producing, processing, and marketing crops, livestock, and seafood as well as aquaculture products.

## Excellence in Business Leadership Award

The Excellence in Business Leadership Award sponsored by Golden Manufacturers will be presented to an individual who has shaped the business world through steadfast leadership, vision, tenacity and dedication, who is a true leader and role model for other companies.

We created this award to honour and recognize the dynamic, inspiring and visionary men and women who create the products, services and jobs that help our economy and communities grow.

We are excited to hear about the many significant achievements of these incredible entrepreneurs, applauding them all for taking the road less travelled - to launch new companies, open new markets and fuel job growth.

## Socially Responsible Business of the Year Award

Following on from the launch of the Green Growth Framework, we recognise the need to engage businesses more broadly in the sustainability challenge and define responsible business as the new norm; to ensure that every business model has sustainability and inclusivity at its very heart.

The Socially Responsible Business of the Year Award, sponsored by Tropik Wood Industries Limited will be presented to a company demonstrating a positive, sustainable and societal impact as part of their business journey.



# FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 JULY 2016

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# FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> JULY 2016

### Statement by Board Chairman and Chief Executive Officer

In the opinion of the Board Chairman and Chief Executive Officer:

- [i] the accompanying income statement of Investment Fiji is drawn up so as to give a true and fair value of the results for Investment Fiji for the period ended 31 July 2016;
- [ii] the accompanying statement of changes in equity of Investment Fiji is drawn up so as to give a true and fair view of the changes in equity of Investment Fiji for the period ended 31 July 2016;
- [iii] the accompanying statement of financial position of Investment Fiji is drawn up so as to give a true and fair view of the state of affairs of Investment Fiji as at 31 July 2016;
- [iv] the accompanying statement of cash flows of Investment Fiji is drawn up so as to give a true and fair view of the cash flows of Investment Fiji for the period ended 31 July 2016; and
- [v] at the date of this statement, there are reasonable grounds to believe that Investment Fiji will be able to pay its debts as and when they fall due.

Dated this 7th day of April, 2017.



.....  
Chairman



.....  
Chief Executive Officer

# FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> JULY 2016

### Auditor general report

#### OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



6-8<sup>TH</sup> Floor, Ratu Sukuna House  
2-10 McArthur St  
P. O. Box 2214, Government Buildings  
Suva, Fiji

Telephone: (679) 330 9032  
Fax: (679) 330 3812  
E-mail: [info@auditorgeneral.gov.fj](mailto:info@auditorgeneral.gov.fj)  
Website: <http://www.oag.gov.fj>



#### Independent Auditor's Report

#### Report on the Audit of the Financial Statements

#### Opinion

I have audited the financial statements of Investment Fiji, which comprise the statement of financial position as at 31 July 2016, income statement, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Investment Fiji as at 31 July 2016, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

#### Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Investment Fiji in accordance with the International Ethics Standards Board for Accountant's *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Responsibilities of the Management and Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs and the Investment Fiji Act 2011, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Investment Fiji's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management intend to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing Investment Fiji's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

# FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> JULY 2016

### Auditor general report (cont'd)

#### Independent Auditor's Report (Cont'd)

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Investment Fiji's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's and directors' use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Investment Fiji's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Investment Fiji to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the management and directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

#### Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements have been prepared in accordance with the requirements of the Investment Fiji Act 2011 in all material respects, and;

- a) I have been given all information, explanations and assistance necessary for the conduct of the audit, and

# FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> JULY 2016

### Auditor general report (cont'd)

- b) the Investment Fiji has kept financial records sufficient to enable the financial statements to be prepared and audited.



Ajay Nand  
AUDITOR GENERAL



Suva, Fiji  
13 April, 2017

# FINANCIAL STATEMENTS

## Income Statement for the Year Ended 31 July 2016

	NOTES	<i>7 months Jan- July</i> 2016	2015
<b>Income</b>			
Government grant - operational		1,091,831	1,739,130
Registration fees		218	459
Trade promotions - income	3	41,284	321,290
Other income	4	25,805	40,801
<b>Total income</b>		<b>1,159,138</b>	<b>2,101,680</b>
<b>Expenditure</b>			
Administrative expenses	5	155,839	392,631
Depreciation	10	50,327	78,061
Finance cost		-	559
Operating expenses	6	202,002	330,414
Personnel expenses	7	789,859	820,435
Trade promotions - expenses	8	39,968	341,254
<b>Total expenditure</b>		<b>1,237,995</b>	<b>1,963,354</b>
<b>Net Surplus / (Deficit) for the period</b>		<b>(78,857)</b>	<b>138,326</b>

The accompanying notes form an integral part of this income statement.

# FINANCIAL STATEMENTS

## Statement of Changes in Equity for the Year Ended 31 July 2016

	NOTES	<i>7 months Jan - July</i> 2016	2015
<b>ACCUMULATED FUNDS</b>			
Balance as at 1 January		911,048	1,163,213
Payment to Ministry of Finance		-	(390,491)
		911,048	772,722
Surplus for the Year		(78,857)	138,326
<b>Balance at the end of the year</b>		<b>832,191</b>	<b>911,048</b>

The accompanying notes form an integral part of this statement of change in equity.

# FINANCIAL STATEMENTS

## Statement of Financial Position as at 31 July 2016

	NOTES	7 months Jan - July 2016	2015
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash on hand and at Bank	14	1,011,485	935,134
Receivables	9	292,069	32,149
<b>Total Current Assets</b>		<b>1,303,554</b>	<b>967,283</b>
<b>Non Current Assets</b>			
Property, plant and equipment	10	337,558	373,670
<b>Total Non Current Assets</b>		<b>337,558</b>	<b>373,670</b>
<b>TOTAL ASSETS</b>		<b>1,641,112</b>	<b>1,340,953</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade creditors and accruals		71,582	101,470
Payable to Ministry of Finance	13	522,500	275,000
Provision for employee entitlements	11	56,049	36,846
<b>Total Current Liabilities</b>		<b>650,130</b>	<b>413,316</b>
<b>Non Current Liabilities</b>			
Provision for employee entitlements	11	16,589	16,589
Deffered Grant Income - Capital	12	142,202	
<b>Total Non Current Liabilities</b>		<b>158,791</b>	<b>16,589</b>
<b>TOTAL LIABILITIES</b>		<b>808,921</b>	<b>429,905</b>
<b>NET ASSETS</b>		<b>832,190</b>	<b>911,048</b>
<b>ACCUMULATED FUNDS AND RESERVES</b>			
Accumulated funds and reserves		832,191	911,048
<b>TOTAL EQUITY</b>		<b>832,191</b>	<b>911,048</b>

The accompanying notes form an integral part of this statement of financial position.

  
Chairman

  
Chief Executive Officer

# FINANCIAL STATEMENTS

## Statement of Cash Flow for the Year Ended 31 July 2016

	7 months Jan - July	
	2016 Inflow / (Outflow)	2015 Inflow / (Outflow)
<b>Cash flows from Operating Activities</b>		
Receipts of grants and others	1,001,329	1,743,246
Receipts from /(payments for) special account	1,316	(19,963)
Payments to suppliers and employees	(912,079)	(2,061,733)
Net cash provided by/(used in) Operating Activities	90,566	(338,450)
<b>Cash flows from Investing Activities</b>		
Payments for property, plant & equipment	(38,620)	(328,453)
Proceeds from sale of property, plant & equipment	24,405	37,144
Net cash (used in) / provided by Investing Activities	(14,214)	(291,309)
<b>Cash flows from Financing Activities</b>		
Repayments of ANZ finance lease	-	(21,527)
Net cash (used in) / provided by Financing Activities	-	(21,527)
Net increase/(decrease) in cash and cash equivalents	76,352	(651,286)
Cash and cash equivalents at the beginning of the year	935,134	1,586,420
<b>Cash and cash equivalents at the end of the year [Note 14]</b>	<b>1,011,485</b>	<b>935,134</b>

The accompanying notes form an integral part of this statement of cash flows.

# FINANCIAL STATEMENTS

## Notes to the Financial Statements for the Year Ended 31 July 2016

### NOTE 1. GENERAL INFORMATION

Investment Fiji is a Government of Fiji entity domiciled in the Republic of Fiji. Investment Fiji was created in 1980 under the Economic Development Board Act No-11. The address of its registered office and principal place of business is disclosed in Note 19 to the financial statements.

The principal activity of Investment Fiji is to promote, stimulate and facilitate trade and investment in Fiji.

### NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### Change of Year End

Due to the change in the Government's year end from December to July, Investment Fiji's 2016 financial statements are for the period 1 January 2016 to 31<sup>st</sup> July 2016.

#### Statement of Compliance

The financial statements prepared by Investment Fiji are in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (FRS for SMEs) issued by the International Accounting Standards Board. The principal accounting policies adopted by Investment Fiji are stated to assist in a general understanding of these financial statements. The accounting policies adopted are consistent with those of the previous year except as stated otherwise.

All amounts are stated in Fijian currency.

#### Basic of Preparation

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. In the application of FRS for SMEs, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by management in the application of IFRS for SMEs that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements. Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

# FINANCIAL STATEMENTS

## Notes to the Financial Statements for the Year Ended 31 July 2016

### NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### a) Allowance for Doubtful Debts

An allowance is made in respect of debts considered doubtful based on a review of outstanding amounts at year end. Bad debts are written off during the year in which they are identified.

#### b) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method.

Borrowings are classified as current liabilities unless Investment Fiji has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

#### c) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in income statement in the period in which they are incurred.

#### d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

#### e) Employee Benefits

##### Annual leave

The liability for annual leave is recognized in the provision for employee benefits. Liabilities for annual leave are expected to be settled within 12 months of the reporting date and are measured at their nominal values using the current remuneration rate which is expected to be applied at the time of settlement.

##### Long service leave

The liability for long service leave is recognized in the provision for employee benefits and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

# FINANCIAL STATEMENTS

## Notes to the Financial Statements for the Year Ended 31 July 2016

### NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### e) Employee Benefit (cont'd)

##### Retirement benefits

The liability for retirement benefits is recognized in the provision for employee benefits and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

##### Wages and salaries

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date are accrued up to the reporting date.

##### Defined contribution plans

Contributions to Fiji National Provident Fund (FNPF) by Investment Fiji are expensed when incurred.

#### f) Foreign Currency Transactions

##### Functional and presentation currency

Investment Fiji operates in Fiji and hence the financial statements are presented in Fiji dollars, which is Investment Fiji's functional and presentation currency,

##### Transactions and balances

Foreign currency transactions are translated into Fiji currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

#### g) Government Grants

Government grants are recognized in the statement of financial position initially as deferred income where there is reasonable assurance that they will be received and that the entity will comply with the conditions attached to them. Grants that compensate the entity for expenses incurred are recognized as revenue in the income statement on a systematic basis in the same period in which the expenses are incurred, Grants that compensate the entity for the cost of an asset are recognized in the income statement as revenue on a systematic basis over the useful life of the asset.

#### h) Income Tax

Income of Investment Fiji is exempt from income tax in accordance with Section 17(24) of the Income Tax Act.

# FINANCIAL STATEMENTS

## Notes to the Financial Statements for the Year Ended 31 July 2016

### i) **Property, Plant and Equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and impairment loss. Cost includes expenditure that is directly attributable to the acquisition and installation of the items.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives using the following rates:

Audio Visual Equipment	20%
Computer Equipment	20%
Furniture and Fittings	10%
Leasehold Improvements	10%
Office Equipment	15%
Motor Vehicles	20%

Profits and losses on disposal of property, plant and equipment are taken into account in determining the results for the year.

### j) **Trade and other receivables**

Trade and other receivables are recognized initially at fair value less allowance for doubtful debts. An allowance for doubtful debt of trade and other receivables is established when there is objective evidence that Investment Fiji will not be able to collect all amounts due according to the original terms of the receivables.

### k) **Value Added Tax (VAT)**

Revenues, expenses, assets and liabilities are recognized net of the amount of Value Added Tax (VAT), except.

i) where the amount of VAT incurred is not recoverable from the taxation authority, it is recognized as part of the cost of acquisition of an asset or as part of an item of expense; or

ii) for receivables and payables which are recognized inclusive of VAT.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

iii) The VAT component of cash flows arising from operating and investing activities, which is recoverable from or payable to the taxation authority, is classified as operating cash flows.

# FINANCIAL STATEMENTS

## Notes to the Financial Statements for the Year Ended 31 July 2016

	<i>7 months</i> <i>Jan - July</i> <b>2016</b>	<b>2015</b>
<b>NOTE 3. TRADE PROMOTION INCOME - OTHERS</b>		
Exporter of the Year Award	41,284	321,290
<b>Total Trade Promotion - Income</b>	<b>41,284</b>	<b>321,290</b>
<b>NOTE 4. OTHER INCOME</b>		
Fiji-PNG Business Council secretariat fee	1,400	2,400
TPAF grant	-	1,257
Profit / (loss) on disposal of fixed assets	24,405	37,144
<b>Total Other income</b>	<b>25,805</b>	<b>40,801</b>
<b>NOTE 5. ADMINISTRATIVE EXPENSES</b>		
Advertising and public relations	19,034	21,489
Audit fee	1,986	3,783
Bank charges	2,090	6,047
Board members' expenses	4,169	14,555
Computer repairs	5,441	7,964
Director's fees	19,250	34,417
Electricity	19,457	30,770
Entertainment and hospitality	1,255	1,768
Legal fees	2,810	-
Stationery	5,363	8,067
Subscriptions	1,599	9,407
Telephone and fax	19,654	25,605
Telephone computer line	36,067	16,299
Travel/accommodation and subsistence	15,221	145,816
Relocation allowance	-	22,749
Single window clearance launch	500	13,995
Office refurbishment	1,941	29,900
<b>Total Administrative Expenses</b>	<b>155,839</b>	<b>392,631</b>

# FINANCIAL STATEMENTS

## Notes to the Financial Statements for the Year Ended 31 July 2016

NOTE 6. OPERATING EXPENSES	7 months Jan - July	
	2016	2015
Insurance	28,875	47,362
Trade promotion seminars /investment workshops	4,201	14,199
Motor vehicle repairs and maintenance	13,709	15,007
Office expenses	7,993	12,501
Printing	4,146	21,629
Hire of photocopiers	7,884	9,049
Postage and courier	859	1,412
Rent	106,978	177,991
Operating leases on motor vehicles	27,356	31,264
<b>Total Operating Expenses</b>	<b>202,002</b>	<b>330,414</b>
NOTE 7. PERSONNEL EXPENSES		
FNPF contribution	47,837	60,577
FNU levy	7,504	8,174
Fringe benefit tax	2,245	3,494
Provision for retirement benefit	-	(22,841)
Salaries and wages	731,126	769,421
Staff training	1,147	1,610
<b>Total Personnel Expenses</b>	<b>789,859</b>	<b>820,435</b>
NOTE 8. TRADE PROMOTION EXPENSES		
Exporter of the Year Award	39,968	311,573
Trade and investment mission - overseas	-	29,681
<b>Total Trade Promotion - Expenses</b>	<b>39,968</b>	<b>341,254</b>

# FINANCIAL STATEMENTS

## Notes to the Financial Statements for the Year Ended 31 July 2016

NOTE 9. RECEIVABLES AND OTHER ASSETS	7 months Jan - July	
	2016	2015
Other receivables	195,299	28,262
Debtors	-	60,989
Provision fordoubtful debts	-	(62,472)
	<hr/> 195,299	<hr/> 26,779
Fiji-PNG Business Council	1,526	-
Vat Receivables	62,401	-
Prepayments	32,843	5,370
	<hr/> 292,069	<hr/> 32,149
<b>Total Receivables and Other Assets</b>	<b>292,069</b>	<b>32,149</b>

# FINANCIAL STATEMENTS

## Notes to the Financial Statements for the Year Ended 31 December 2015

### NOTE 10. PROPERTY, PLANT AND EQUIPMENT

	Audio Equipment \$	Computer Equipment \$	Furniture & Fittings \$	Leasehold Improvements \$	Office Equipment & Others \$	Motor Vehicles \$	Total \$
<b>Gross carrying amount</b>							
Balance at 1st January 2015	13,841	351,615	102,582	173,786	64,879	265,397	972,100
Acquisitions	3,549	211,977	58,224	19,371	35,331	-	328,453
Disposals	(3,553)	(254,945)	(11,370)	-	(54,051)	(96,457)	(420,376)
Balance at 31st December 2015	13,837	308,647	149,436	193,157	46,159	168,940	880,176
Acquisitions	1,101	3,862	3,183	3,336	2,732	-	14,214
Disposals	-	-	-	-	-	(44,329)	(44,328)
Balance at 31st July 2016	14,938	312,509	152,619	196,492	48,893	124,612	850,062
<b>Accumulated Depreciation</b>							
Balance at 1st January 2015	11,383	325,386	71,414	154,367	61,685	224,587	848,822
Disposals	(3,553)	(254,946)	(11,370)	-	(54,051)	(96,457)	(420,377)
Depreciation expense	1,521	40,804	8,038	7,467	4,174	16,057	78,061
Balance at 31st December 2015	9,351	111,244	68,082	161,834	11,808	144,187	506,506
Depreciation for the year	1,029	25,960	7,164	3,534	3,274	9,366	50,327
Disposals	-	-	-	-	-	(44,329)	(44,329)
Balance at 31st July 2016	10,380	137,204	75,246	165,368	15,082	109,225	512,504
<b>Carrying Amount</b>							
As at 31 December 2015	4,486	197,403	81,354	31,323	34,351	24,753	373,670
As at 31 July 2016	4,558	175,305	77,373	31,123	33,812	15,387	337,558

# FINANCIAL STATEMENTS

## Notes to the Financial Statements for the Year Ended 31 July 2016

	<i>7 months Jan - July</i>	
	<u>2016</u>	<u>2015</u>
<b>NOTE 11. PROVISIONS</b>		
<b>Employee Entitlements</b>		
Opening balance	53,435	56,753
Net movement during the year	19,203	(3,318)
<b>Closing Balance</b>	<u><b>72,638</b></u>	<u><b>53,435</b></u>
Analysis of total provisions:		
Current	56,049	36,846
Non current	16,589	16,589
	<u><b>72,638</b></u>	<u><b>53,435</b></u>
<b>NOTE 12. Deffered Grant Income - Capital</b>		
Funds Received for CRM Project from Ministry	142,202	-
<b>Total Payable to Ministry of Finance</b>	<u><b>142,202</b></u>	<u><b>-</b></u>
<b>NOTE 13. PAYABLE TO MINISTRY OF FINANCE</b>		
FIRC registration fees	522,500	275,000
<b>Total Payable to Ministry of Finance</b>	<u><b>522,500</b></u>	<u><b>275,000</b></u>

The Government has increased Investment Fiji's operating grant. Investment Fiji is therefore expected to return all the Foreign Investment Registration Certificate (FIRC) fees collected back to the Government. FIRC fees in previous years were treated as income in Investment Fiji's accounts.

# FINANCIAL STATEMENTS

## Notes to the Financial Statements for the Year Ended 31 July 2016

NOTE 14. NOTES TO THE STATEMENT OF CASH FLOWS	<i>7 months</i> <i>Jan - July</i> <b>2016</b>	<b>2015</b>
<b>Cash and Cash Equivalents</b>		
Cash and cash equivalents consist of cash on hand and balance held with banks. Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:		
ANZ Banking Group - Operational Account	448,556	603,003
ANZ Banking Group - Special Expenditure Account (a)	32,424	41,702
ANZ Banking Group - Other Funds Account	529,805	289,729
Petty Cash	700	700
<b>Total cash and cash equivalents</b>	<b>1,011,485</b>	<b>935,134</b>

a)

This cash relates to the International Business Awards night and is only incurred for that purpose.

### NOTE 15. COMMITMENTS

Operating lease commitments for leased motor vehicles are as follows:

Not later than one year	27,356	31,264
Later than one year but not later than five years	82,067	109,425
<b>Total operating lease commitments</b>	<b>109,423</b>	<b>140,689</b>

### NOTE 16. CONTINGENT LIABILITY

Contingent liabilities exist with respect to the following:

Litigation claims (a)	-	63,000
Retirement benefits (b)	57,789	57,789
Other contingent liability (c)	-	27,905
	<b>57,789</b>	<b>148,694</b>

a) Related to a dispute concerning the alleged refusal of Investment Fiji to re-employ an employee upon the expiration of their seconded contract. The court has delivered written judgement on 13 May 2016 in favour of Investment Fiji.

b) Retirement benefit yet to be paid to an employee retiring in accordance with provisions of Article 26 paragraph of the Collective Agreement signed in 2001 between Investment Fiji and the Fiji Public Service Association (FPSA) regarding terms and conditions of service of salaried staff. The employee retired on 18 May 2009 and no claim has been received so far by FPSA.

c) Other contingent liability consisted of a partial refund of an advance payment made to Investment Fiji by Centre Development Enterprises (CDE). Due to CDE's office closure, there is no claim pertaining to money withheld from both parties.

# FINANCIAL STATEMENTS

## Notes to the Financial Statements for the Year Ended 31 July 2016

### NOTE 17. RELATED PARTY DISCLOSURES

The names of persons who were directors of Investment Fiji at the date of this report are as follows:

Mr. Truman Bradley - Executive Chairman	Mr. Solomoni Nata
Mr. Jai Kumar - Deputy Chairman	Mr. Nemani Vuniwaqa
Mr. Shaheen Ali	Mr. Visvanath Das
Mr. William Situ	Mr. Richard Breen
Ms. Angela Jokhan	Mr. William Singh

Directors' remuneration as at July 2016 is \$19,250 (2015: \$34,417).

### NOTE 18. EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of Investment Fiji, the results of those operations, or the state of affairs of Investment Fiji in future financial years.

### NOTE 19. PRINCIPAL ACTIVITIES

The principal activity of Investment Fiji is to promote, stimulate and facilitate trade and investment in Fiji.

### NOTE 20. INVESTMENT FIJI DETAILS

#### Registered Office and Principal Place of Business

The registered office and the principal place of business of Investment Fiji is:

Level 6, Civic Tower  
Victoria Parade  
Suva  
Fiji.

#### Number of employees

As at balance date, Investment Fiji employed a total of 35 (2015: 34) employees.

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SUVA HEAD OFFICE  
6<sup>th</sup> Floor, Civic Tower, Victoria Parade  
PO Box 2303, Government Buildings  
Suva, Fiji.

LAUTOKA OFFICE  
Ground Floor, Jay Lal & Co Complex, 21 Tui Street  
PO Box 5105  
Lautoka, Fiji.

LABASA OFFICE  
Level 1, LTD Building, Damanu Street  
PO Box 4665  
Labasa, Fiji.

[www.investmentfiji.org.fj](http://www.investmentfiji.org.fj)