



STANDING COMMITTEE ON ECONOMIC AFFAIRS

Consolidated Report on Investment Fiji 2015 and 2016 Annual Reports



PARLIAMENT OF THE REPUBLIC OF FIJI
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Chair's Foreword

The Committee was pleased to note the numerous milestones achieved since 2015 with the overarching 'Transform to Perform' program, initiated by Investment Fiji. This transformation from being reactive to proactive, is achieving the desired results and should be given all the support it needs. Investment Fiji's main purpose is to promote, stimulate, and facilitate trade and investment in Fiji, to ensure that Fiji's national economy continues to grow, not only by creating employment opportunities, but also raising economic activity by bringing in foreign investment to the country.

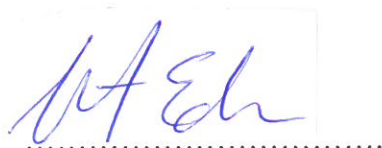
The Committee learnt with interest that the issuance of a Foreign Investment Registration Certificate (FIRC) does not guarantee approval from any other Government department, for example, the issuance of a FIRC does not guarantee approvals from the Department of Immigration. The Department of Immigration is the border control agency of Fiji and they are tasked with the enforcement of the immigration, citizenship and passport laws, etc. Policies and decisions regarding the issuance of work/investor permits are therefore the sole discretion of the Department of Immigration and should not be automatically assumed by any applicant holding a FIRC.

The Committee was pleased to note that a working group comprised of the office of the Solicitor-General, Ministry of Industry, Trade and Tourism (MITT), Fiji Revenue and Customs Authority (now Fiji Revenue and Customs Service (FRCS)), Reserve Bank of Fiji (RBF), Registrar of Companies and Investment Fiji has been formed to review Fiji's global standing with regards to the 'ease of doing business'. This will no doubt assist Investment Fiji in their quest to increase Fiji's economic activity.

The Committee is confident that Investment Fiji is well poised to carry out its objectives as outlined in its Strategic Performance Framework.

I thank the Committee Members, Hon. Vijay Nath, Hon. Alvick Maharaj, Hon. Viliame Gavoka and Hon. Prem Singh who were present in the production of this Report and also the Parliamentary Staff who assisted.

On behalf of the Standing Committee on Economic Affairs, I commend this Report to Parliament.



HON. LORNA EDEN
CHAIRPERSON

Introduction

Investment Fiji initially began in the year 1980 under the Economic Development Board Act (Act No. 11 of 1980) to promote, stimulate and facilitate economic development in Fiji. Investment Fiji provides a range of services to promote investments and the development of industries and enterprises as well as to increase exports of goods and services.

Although Investment Fiji is a statutory organisation, it operates independently as the marketing arm of the Fijian Government to provide services and assistance to promote, facilitate and stimulate increased investments and growth.

The purpose of Investment Fiji is to promote, stimulate and facilitate trade and investment in Fiji to ensure that Fiji's national economy continues to grow by not only creating employment opportunities but also raising economic activity by bringing in foreign investment to the country, thus increasing Fiji's economic growth.

Investment Fiji undertakes regulatory functions, promotional activities, advisory and information services to meet its objectives. Investment Fiji also acts as a liaison between Government, the private sector and regional and international agencies.

In the year 2015 for the calendar year, Investment Fiji had implemented projects worth \$363 million which generated 590 jobs for that financial year whereas in 2016 they implemented projects worth \$212 million which generated 1,398 jobs (2015 is calendar year January – December, 2016 only accounts for the first 7 months of 2016).

Numerous milestones were achieved by Investment Fiji in 2016 as the agency embarked on the execution of its strategic corporate change program 'Transform to Perform' which was developed in 2015.

Findings and Recommendations

1. The Committee notes that one of the milestones achieved is towards high impact investment opportunities. Integral to this is a cluster of investment ready projects which Investment Fiji uses to attract investors. The Committee recommends that the range of projects be expanded and be properly packaged to attract investors into specific areas of development.
2. The Committee notes that foreign investment regulations do not include retail businesses competing against the locals especially on small scale (mama and papa) enterprises. The Committee also notes that currently MITT is reviewing the Foreign Investment Act 1999 to develop an investment policy. The Committee recommends that a detailed review of reserved and restricted activities is part of this process in order to devise an investment policy that is conducive to attracting quality investments.
3. The Committee notes that Investment Fiji is keen to expand on its network through Trade Commissions. The Committee recommends that such networks are enhanced.
4. The Committee notes that Investment Fiji plays the role of a facilitator in terms of assisting investors to obtain Foreign Investment Registration Certificates (FIRC) through a 'single window clearance'. However the Committee is aware of the perception that the Department of Immigration, in terms of obtaining a work/investor permit sometimes becomes a stumbling block to this initiative. The Committee strongly suggests that this perception needs to be corrected. The Committee recommends that the immigration requirements should be made known clearly to any aspiring investor during the FIRC process.
5. The Committee notes the work being carried out by the working group (office of the Solicitor-General, MITT, FRCS, RBF, Registrar of Companies and Investment Fiji) to review the 'ease of doing business' in Fiji. The Committee recommends that this working group be given the necessary support to improve Fiji's standing globally, especially in areas where the requirements are duplicated due to excessive regulations.
6. The Committee notes that one of Investment Fiji's objectives is to tap into global value chains. One such example is our ability to provide Level 1 services for Basic Call Centre Operations made possible with our connection to the Southern Cross Cable. The Committee also notes that service Level 2 (the main support service) is carried out in Australia and New Zealand; and Level 3 (the very advanced star) is done in Singapore. The Committee notes that with the development of relevant education programmes at our universities, Level 2 and 3 services can be performed in Fiji. The Committee recommends that Investment Fiji liaise with our universities to explore the introduction of the relevant courses and thereby create the workforce to do the more specialised Level 2 and 3 services in Fiji.

Gender Analysis

Gender is a critical dimension to parliamentary scrutiny. Under Standing Order 110 (2) the Committee is required to ensure full consideration to the principle of gender equality so as to ensure all matters are considered with regard to the impact and benefit on both men and women equally.

Taking into consideration the principle of gender equality, the Committee noted that there was satisfactory balance prevalent amongst the staff of the Investment Fiji in 2015 and 2016.

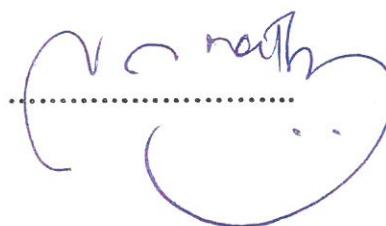
Conclusion

Investment Fiji has undergone a remarkable transformation since 2015 and the Committee is confident that the initiatives in place will yield the desired results in terms of growing Fiji's economy for the benefit of all Fijians.

Hon. Lorna Eden (Chair)

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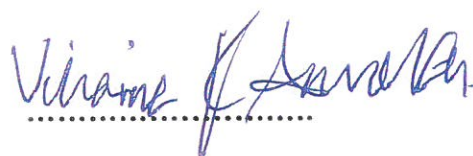
Hon. Vijay Nath (Deputy Chair)

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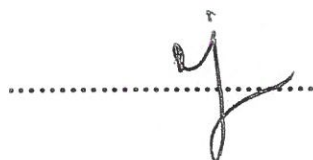
Hon. Alvick Maharaj (Member)

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Hon. Viliame Gavoka (Member)

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Hon. Prem Singh (Member)

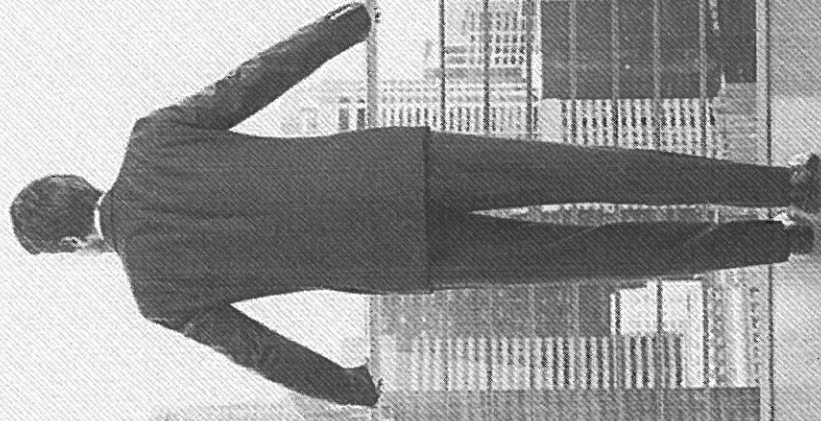
Handwritten signature of Prem Singh in black ink, written over a dotted line.

STANDING COMMITTEE ON ECONOMIC AFFAIRS

Parliament of the Republic of Fiji

Presented by:
Godo Mueller-Teut,
Chief Executive Officer - Investment Fiji

Suva, Tuesday 1st May 2018



Investment **Fiji**

TODAY'S PRESENTATION

2

Overview of the Strategic Corporate Change Program
"Transform to Perform"

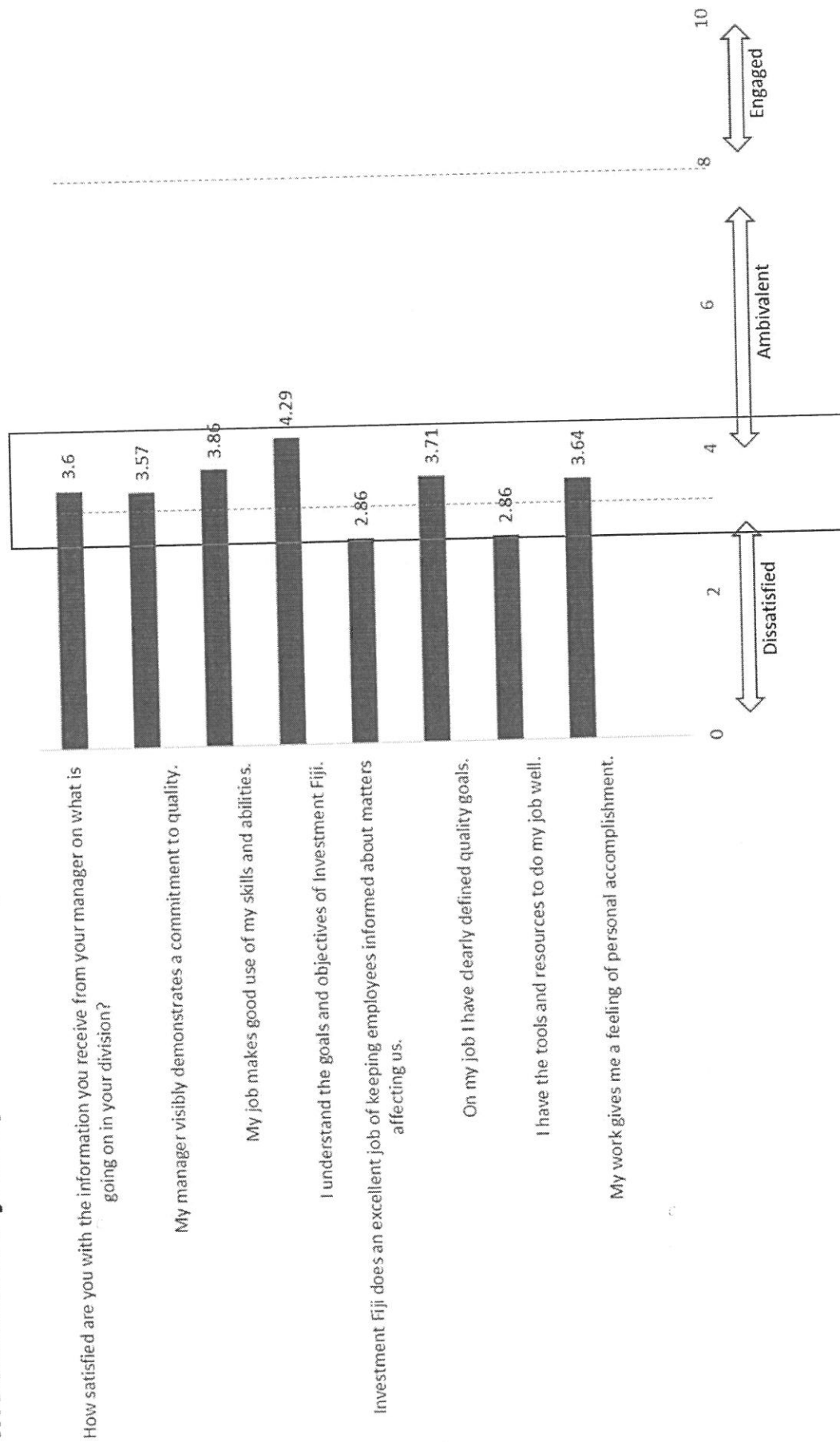
Performance Related & General Questions

Audit Related Questions

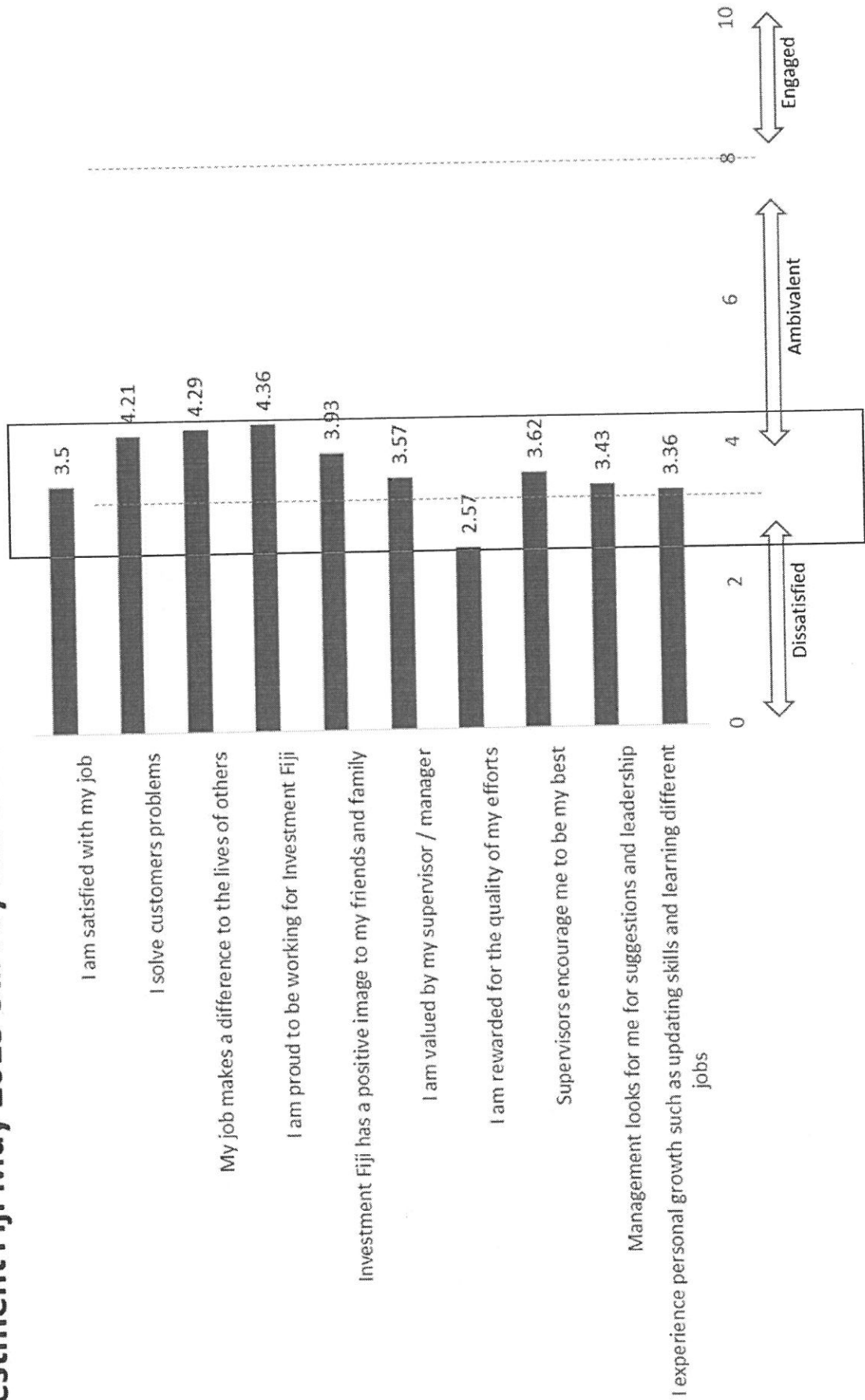


March 2015
.... 3 Years Ago

Investment Fiji May 2015 Survey Results : Job Satisfaction



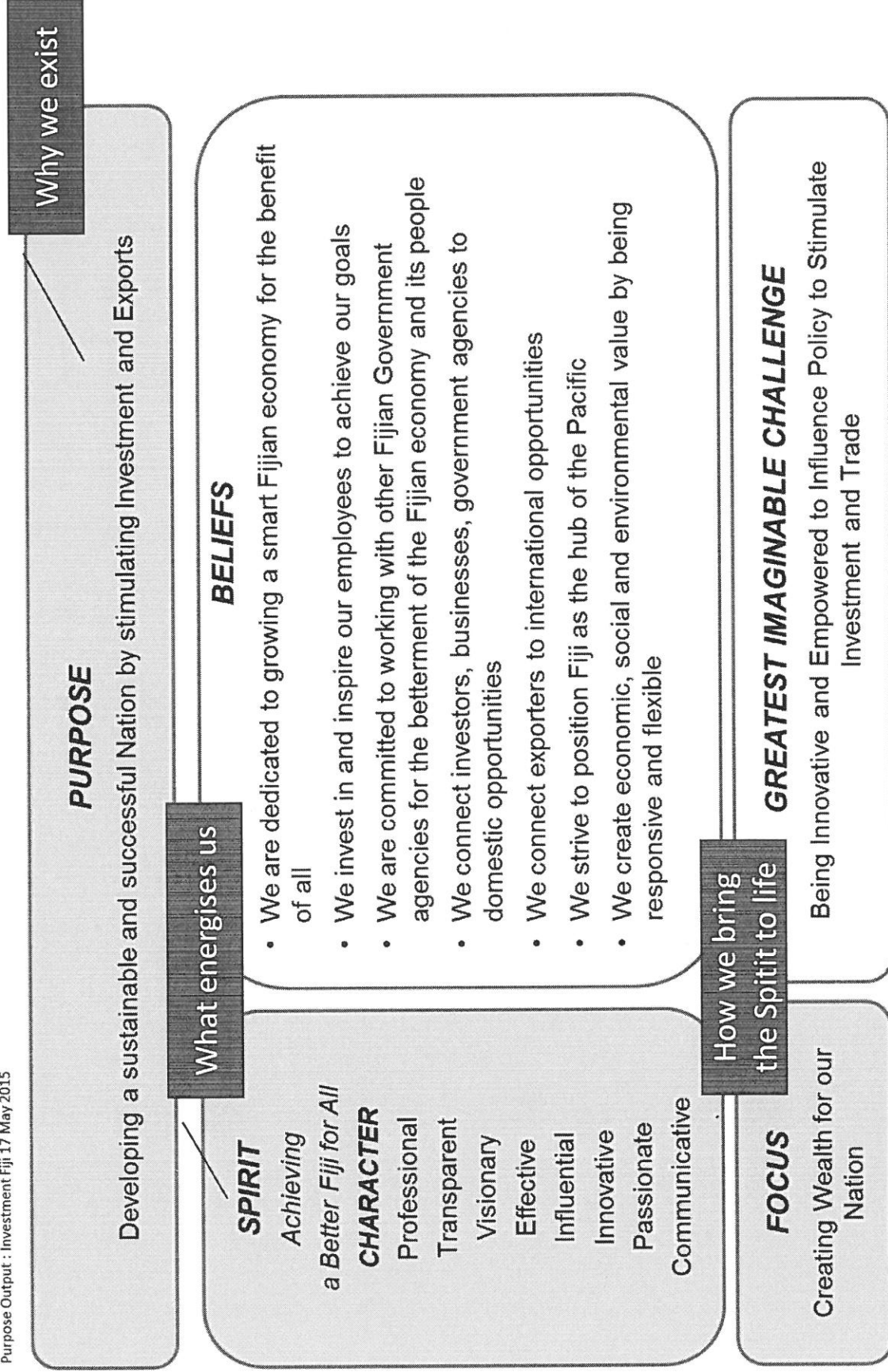
Investment Fiji May 2015 Survey Results : Job Passion & Self Evaluation



WE DEFINED OUR PURPOSE.....

6

Purpose Output : Investment Fiji 17 May 2015



Top 10 Challenges

About Us Challenging ourselves, skills, abilities..	1	<ul style="list-style-type: none"> • Realise the full potential of our people
	2	<ul style="list-style-type: none"> • Revitalize and refresh our corporate image both internally and externally
Doing Business Getting better at what we do: processes	3	<ul style="list-style-type: none"> • Develop and Deploy a fully integrated IT platform
	4	<ul style="list-style-type: none"> • Design and implement a new engagement model
Growing the Business What do we need to do to energize our Purpose	5	<ul style="list-style-type: none"> • Devise structures to identify and promote High Impact Investment Opportunities
	6	<ul style="list-style-type: none"> • Map and Identify Exporters and develop appropriate international growth models
	7	<ul style="list-style-type: none"> • Maximise the value international networks add to investors and exporters
	8	<ul style="list-style-type: none"> • Build proactive energetic Collaboration with Key Government Agencies & Alliance Partners
	9	<ul style="list-style-type: none"> • Revise the Investment Act, Decrees and KPIs of Investment Fiji
	10	<ul style="list-style-type: none"> • Allocate funding and resources to reflect strategic priorities

We agreed to Transform

8

From

To

External Perception

Reactive	➔	Proactive
Facilitation	➔	Opportunity Creation
Ad Hoc	➔	Planned but 'On the Fly'
Cooperation	➔	Collaboration
Spreading Thin	➔	Making more impact, bigger hits

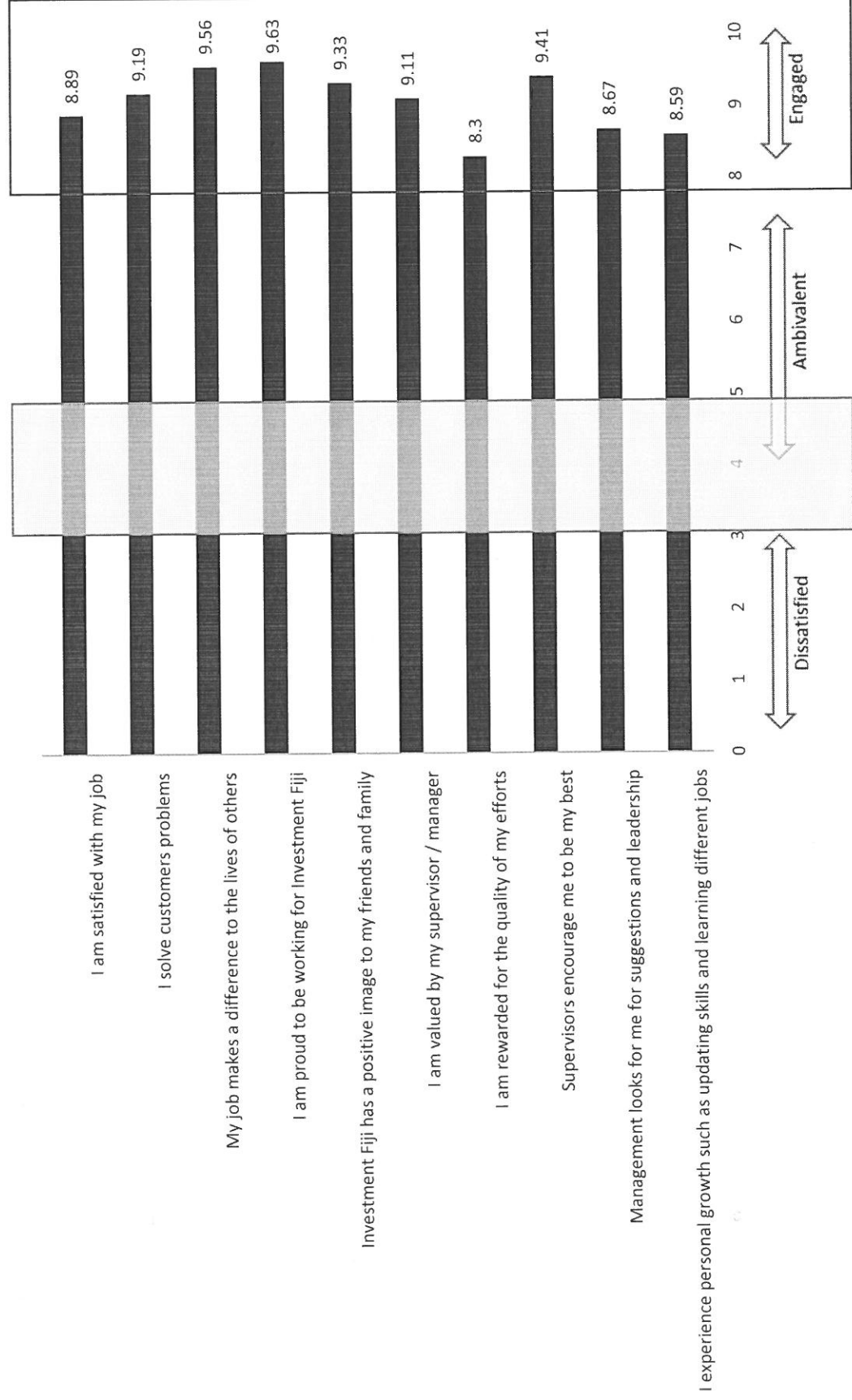
Within Investment Fiji

Confusion	➔	Alignment
Focus on Compliance	➔	Focus on 'Customers' exporters & investors
Process focussed	➔	Performance Focused
Silos	➔	Seamless
Inconsistent Practices	➔	The "Investment Fiji Way"

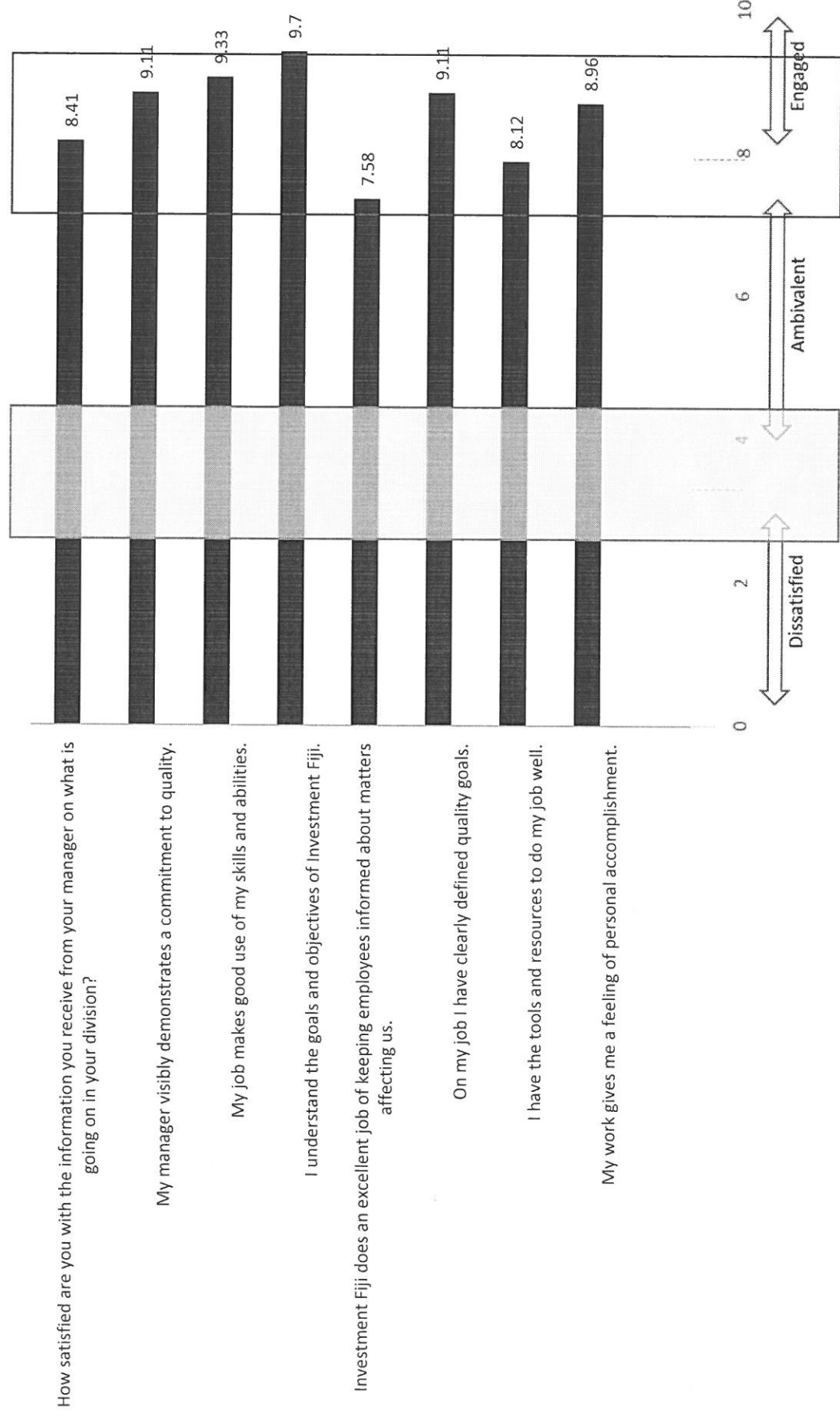


January 2018
3 Years later....

Investment Fiji | Jan 2018 Survey Results : Job Satisfaction

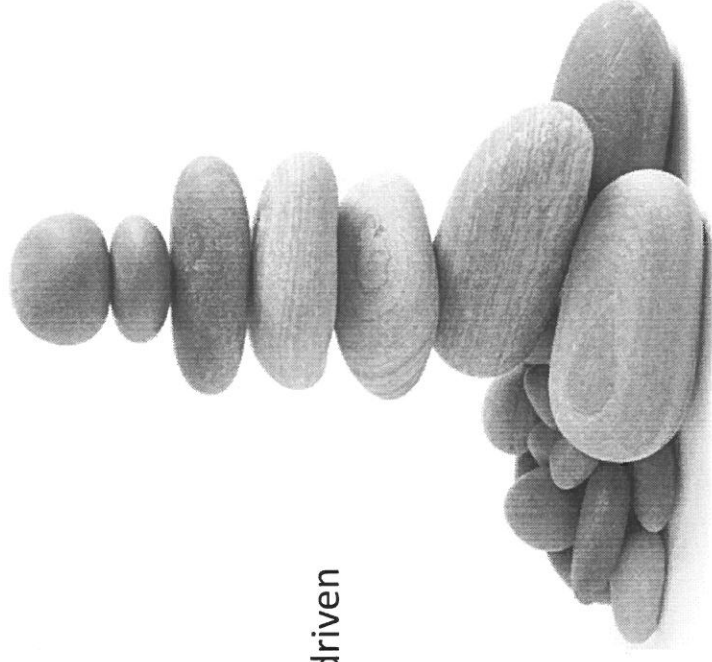


Investment Fiji | Jan 2018 Survey Results : Job Passion & Self Evaluation



WE ACHIEVED OUR BIG ROCKS -

- ✓ • **AN EFFECTIVE STRUCTURE**
that makes sense, is adaptable and delivers
- ✓ • **A BIG FOCUS ON OUR PEOPLE**
recruitment, training and development – *from disengaged and ambivalent to engaged*
- ✓ • **A NEW TECHNOLOGY PLATFORM**
that is fast, intuitive and works
- ✓ • **A NEW EXPORT MODEL**
collaborative, effective, integrated, agile and results driven
- ✓ • **A REVISED INVESTMENT & FDI MODULE**
understand requirements, act fast, deliver results
- ✓ • **COLLABORATION ACROSS ALL AREAS**
collaborate and work in unison across all channels
- ✓ • **A NEW INVESTMENT FIJI**
proactive, efficient, collaborative, intelligent and influential



Challenge 1 Our People

- New Leadership Philosophy
- New Salary Banding
- New Job Templates
- New Individual KPI's
- New Performance Framework
- Recruit all Positions
- New Engagement Model
- New Customer Model
- Devise Skillset Training
- New Personal Development Plans
- Initiate Experience Exchanges

Milestones Partially Met

- Corporate & Divisional KPI's

FOCUS AREAS GOING FORWARD

New Strategic Plan 2018-2022

- Scope, develop and finalize new Corporate KPI's for InvFJ
- Scope, develop and finalize Divisional and Individual KPI's based on Corporate KPI's
- Formulate Leadership Strategy and Refresh HR Policy Document

Ongoing Programs

- Continue to **Attract Talent, Develop Skillsets and Reward Performance**
- Continue to provide skillset training modules
- Perform annual Staff Engagement Surveys
- Engage in Experience Exchanges with agencies & businesses

Challenge 2

Our Corporate Image

- Refresh Suva Office
- Refresh Lautoka Office
- Refresh Labasa Office
- Update Stationary
- Update Promotional Materials
- New Annual Report Template
- New lease based Vehicle Fleet
- New Image of InvFJ
- Launched the Prime Minister's International Business Awards
- Continuous Media Coverage

Milestones Partially Met

- New Website
(scoped and TOR prepared)

FOCUS AREAS GOING FORWARD

Projects Underway

- Development of New Website (to be completed by Q3)
- Development of New Collateral (to be completed by Q2)

Ongoing Programs

- Continue to promote InvFJ in local and international media
- Achieve greater impact internationally
- Achieve greater local awareness
- Continue to position the Prime Minister's International Business Awards as the Premier Event in the country.

Challenge 3

Integrated IT Platform

- Full IT Review
- New IT Structure
- New Servers
- New Thin Clients and Laptops
- New Smartphones
- New Tablets
- New Telephone & PABX
- New IT Policy
- New CRM System
- Website TOR issued

Milestones Partially Met

FOCUS AREAS GOING FORWARD

CONNECT & EMBED

- Complete Mobility Integration
- Develop CRM Information sharing capability
- Launch new Website
- Develop and Launch FIRC Portal Plug In

SIMPLIFY

- Unify Access to our Systems
- Review PABX system
- Review Finance System
- Deliver new IT Policies

OPERATIONAL

- Embed Professional Services Automation System and processes
- Develop CRM Usage Guides, E-Learning Videos, Dashboards and Reports
- Develop Website upload guides

SECURITY

- Deliver core security standards and awareness programme
- Deliver enhanced border security infrastructure and monitoring

Challenge 4

New Engagement Model

...

- New Engagement Framework
- Implement Customer Focus
- Developed Engagement Plans
- Adopt Business Model Canvass
- Revised Processing Team
- Created Engagement Team
- Streamlined FIRC Processes
- Mapped Internal Processes
- Launched the RASCI Principles
- Executed Marcoms Plan

FOCUS AREAS GOING FORWARD

Projects Underway

- Development Standard Operating Procedures for all divisions
- FIRC Portal of new Website

Ongoing Programs

- Ensure Engagement Plans are created for all Customers
- Continue MARCOMS activities and develop case studies for all divisions

Developed Engagement Model

The Engagement Plan has 4 elements, the Customer's Goals, the Purpose of Engagement, the Objectives agreed and Individual Activities to be undertaken.



Milestones Not Met

- Finalise SOPs
- Initiate ISO Project

Challenge 5

High Impact Investment Opportunities

- ...
- New Investment Model
- Implement Customer Focus
- Mapped Investor Touchpoints
- Devised Training Programs
- Developed Sector Profiles
- Developed Economic Profiles
- Developed JV Pipeline
- New Website Investment Section
- New Marcoms Plan

Milestones Not Met

- Build PPP Pipeline

FOCUS AREAS GOING FORWARD

Projects Underway

- Develop Engagement Plan with Min of Public Enterprise
- Finalise Sector Profile Designs
- Finalise Website Content
- Develop ROI Model (missions, events etc)
- Scope Global Value Chain Integration Opportunities

Ongoing Programs

- Identify Investment Ready Projects
- Identify JV Opportunities
- Update Sector Profiles
- Continue MARCOMS activities and develop case studies
- Continue Skillset Training



Challenge 6

Export Growth Model

- ...
- New Export Model
- Implement Customer Focus
- Mapped Exporter Touchpoints
- Devised Export Readiness Stage Model
- Devised Training Programs
- Drafted Export Collateral
- New Website Export Section
- New Marcoms Plan

Milestones Not Met

- Develop Path to Market Program

FOCUS AREAS GOING FORWARD

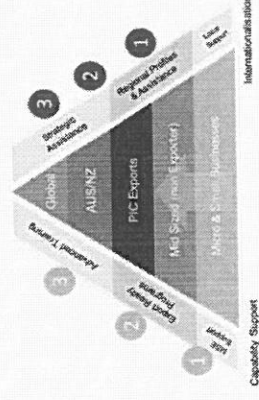
Projects Underway

- Develop Path to Market Programs for Exporters
- Develop Internationalisation Support Programs
- Develop Capability Support Programs
- Finalise Website Content
- Develop ROI Model (missions, events etc)

Ongoing Programs

- Update Collateral
- Continue MARCOMS activities and develop case studies

Developed Export Model



Challenge 7

International Networks

- ...
- Launch Engagement Model
- Launch Investment Model
- Launch Export Model
- MOU with Foreign Affairs
- MOU with International Trade promotion Agencies
- New FDI attraction packages
- New Export promotion packages
- Joint Missions
- New Marcoms Plan

Milestones Not Met

FOCUS AREAS GOING FORWARD

Projects Underway

- MOU with Fiji Missions and Min of Foreign Affairs
- MOU with foreign IPA's
- Develop Webinar Structure

Ongoing Programs

- Provide updated Collateral to all Missions
- Work with all Missions to develop in-market MARCOMS activities

Challenge 8

Domestic Collaboration

...

- MOU with T1 Agencies
- MOU's with key T2 Agencies
- MOU's with Gov. Departments
- MOU's with key NGO's
- Develop industry networks
- Reduce Red-Tape
- Revise Interagency Committees
- New Marcoms Plan

Milestones Not Met

FOCUS AREAS GOING FORWARD

Projects Underway

- MOU's with T2 Agencies
- MOU's with Government Departments
- Finalise Post Registration Guide
- Recruit Special Liaison Manager

Ongoing Programs

- Disseminate information to all strategic partners

Challenge 9

Revise Investment ACT

...

- Review current Act
- Review international Best Practice
- Engage with World Bank / IFC
- Review Corporate KPI's
- Review Reserved Activities
- Review Restricted Activities

Milestones Not Met

- Revise ACT

FOCUS AREAS GOING FORWARD

Projects Underway

- Led by MITT : Review of Investment Act with World Bank / IFC
- Led by MITT : Development of Investment Policy with World Bank / IFC
- Led by MITT: Review of Reserved and Restricted Activities

Ongoing Programs

- Disseminate information to all strategic partners



Challenge 10

Allocated Funding for TTP

...

- Develop Strategic Plan (TTP)
- Monitor 90-Day Action Plans
- Draft Annual Budgets
- Monitor Strategic Priorities

Milestones Not Met

- Seek external funding (JICA)

FOCUS AREAS GOING FORWARD

New Strategic Plan 2018-2022

- Develop New Strategic Plan as Continuation of the Transform to Perform Corporate Change Program

Ongoing Programs

- Continue to Monitor Transform to Perform Challenges
- Continue to seek external funding opportunities
- Continue to work with the Ministry of Economy and Ministry of Industry, Trade & Tourism on budgets

TRANSFORM TO PERFORM

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Milestones achieved

Being innovative and Empowered
to Influence Policy to Stimulate
Investment and Trade

STRUCTURE...

- New Structure
- New leadership appointments
- New Engagement Model
- New Investment Model
- New Export Model
- New IT Structure
- New HR Structure
- New Management Team

PEOPLE...

- New Performance Plans
- Personal Development Plans
- New Performance Reviews
- New Skillset Training
- New Induction framework
- New Personal KPI's
- New Divisional KPI's
- Learning & Development framework
- Culture surveys

STRATEGY ...

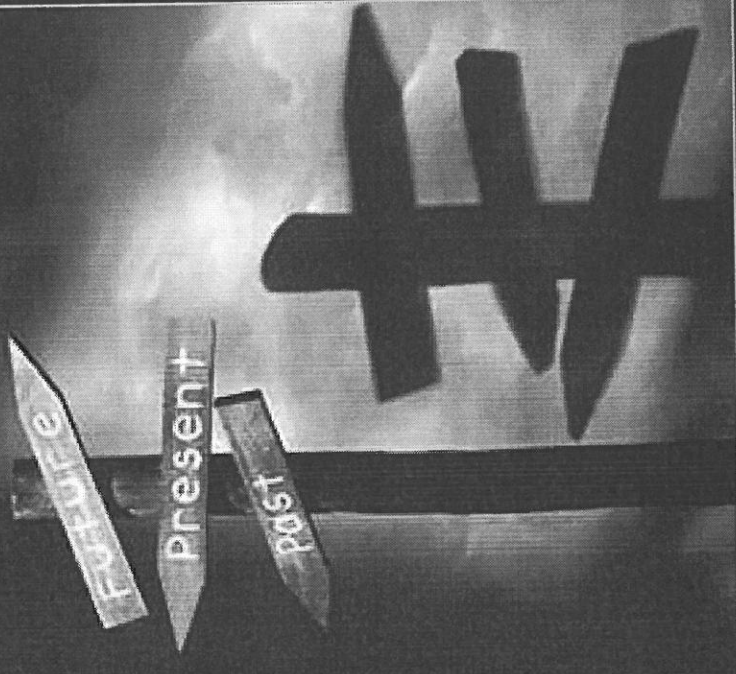
- Overall Strategy Reset
- Transform to Perform
- Customer Focused Strategy
- Partnership with T1 Agencies
- MOU with T1 and T2 Agencies
- New Investment Attraction Strategy
- New Exporter Capability Support Model
- New Export
- Internationalisation Model
- FIRC Automation
- New Marcomms plan
- Develop PICs, China, Japan, New Zealand & Australia strategies
- New IT strategy

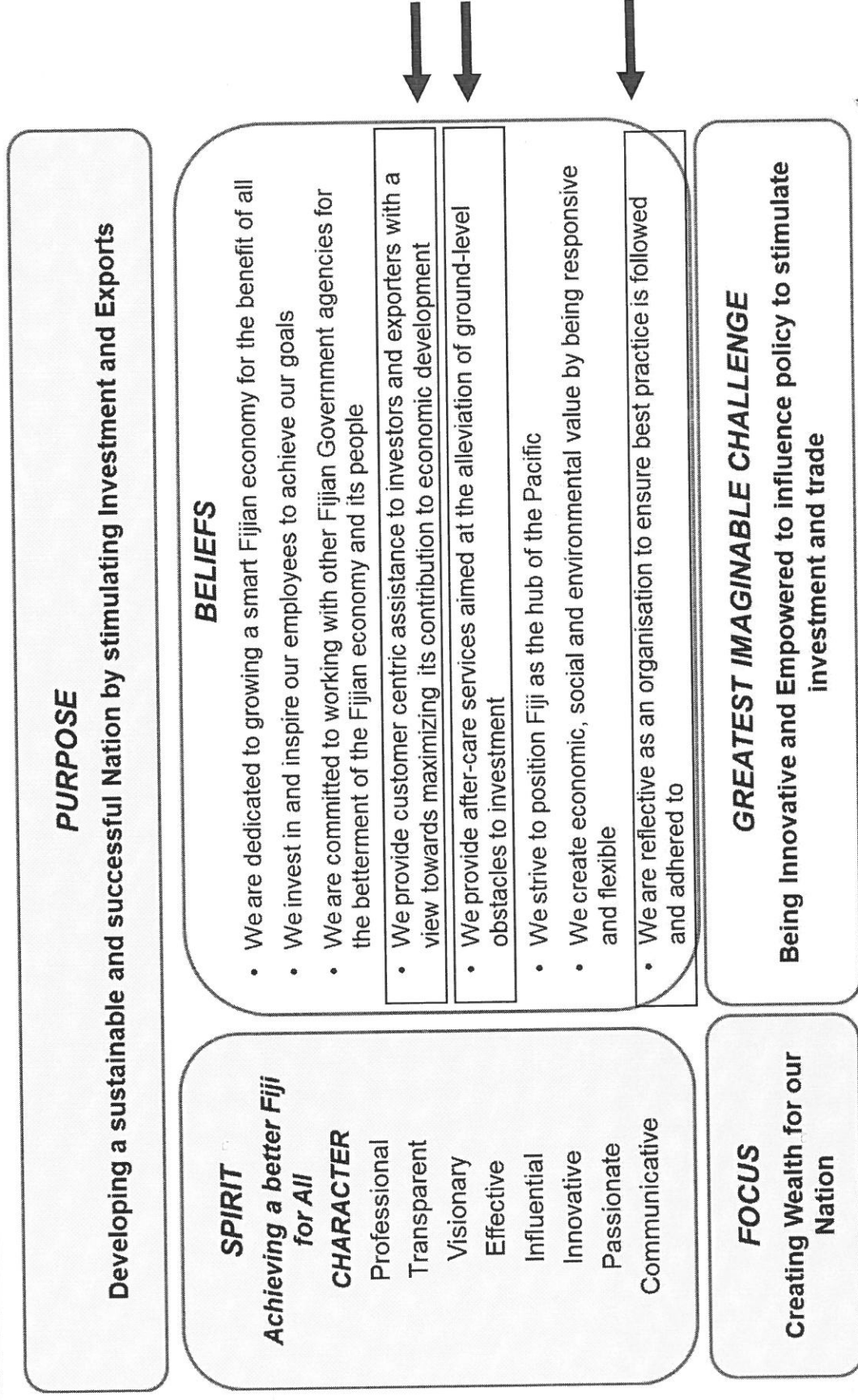
SYSTEMS...

- New IT systems scoped and deployed
- New Website scoped and TOR developed
- New CRM system scoped, developed and deployed
- New FIRC Investor portal scoped and TOR developed
- Investor Database developed
- Business processes defined for integrated service delivery
- Mobility Strategy
- Smartphones & Tablets rolled out
- New customer engagement plans
- New Customer review framework
- Dashboards
- CRM Learning +
- Divisional SOP's

Strategic Plan
2018 – 2022
Development Workshop

March 17/18 2018
Sofitel, Denarau





Strengths <i>What do you do well?</i> <i>What unique resources can you draw on?</i> <i>What do others see as your strengths?</i>	Weaknesses <i>What could you improve?</i> <i>Where do you have fewer resources than others?</i> <i>What are others likely to see as weaknesses?</i>
<p>Access to Information CRM System & Website Clear Structure & Strategy Agile Able to respond quickly Reputation Grown Significantly Collaboration Coordination across key stakeholders Customer Focused Skilled and dedicated staff Strong Governance and Leadership Focus on foreign and domestic investors and investments</p>	<p>Capability Export Support Programs Access to Research & Data Reliance on 3rd Parties to solve problems Lack of coordination with investors and 3rd parties Staff turnover</p>
Opportunities <i>What opportunities are open to you?</i> <i>What trends could you take advantage of?</i> <i>How can you turn your strengths into opportunities?</i>	Threats <i>What threats could harm you?</i> <i>What is your competition doing?</i> <i>What threats do your weaknesses expose you to?</i>
<p>Underdeveloped brand for inward investment Development of a fast-track system for T1 Investors Regulatory liberalization To Influence Policy To develop effective Incentives International and Regional Engagement Platforms and Channels (export & investment) Targeted Missions Understand Customer life-cycle analysis Succession Planning Partnerships with leading IPA's and international organisations</p>	<p>Financial Budget Constraints / Insufficient funding Lack of coordination with other government agencies Change in Government Regulations Policy Changes Underutilization of Single Window Clearance System Natural Disasters Domestic Economic Downturn Global Economic Downturn Physical and IT infrastructure advancements Time compression and conservatism of FDI decision making favours already well established destinations</p>

DAY 1: AFTERNOON SESSIONS | TOP 10 CHALLENGES 2018-2022 27

About Us Challenging ourselves, skills, abilities..	1	<ul style="list-style-type: none"> • Attract, Recruit and Retain key staff and develop a learning culture
	2	<ul style="list-style-type: none"> • Transition into a high performing IPA through best practice and the adoption of a new investment Act and Policy
Doing Business Getting better at what we do: processes	3	<ul style="list-style-type: none"> • Develop, maintain and upgrade the IT Infrastructure, website and online portals and ensure high levels of IT border security
	4	<ul style="list-style-type: none"> • Build proactive energetic collaboration with policy makers on improving the business environment.
Growing the Business What do we need to do to energize our Purpose	5	<ul style="list-style-type: none"> • Identify and promote High Impact Investment Sectors, Opportunities, JV's Partnerships, GVCs and PPPs.
	6	<ul style="list-style-type: none"> • Develop Internationalisation and Capability Development Programs aimed at increasing value added Exports and participation in GVCs
	7	<ul style="list-style-type: none"> • Develop strategic partnerships with international networks
	8	<ul style="list-style-type: none"> • Continue to enhance aftercare support services through collaboration with key domestic partners
	9	<ul style="list-style-type: none"> • Position Fiji as international investment destination
	10	<ul style="list-style-type: none"> • Allocate funding and resources to reflect strategic priorities

Performance Management

Progress will be monitored through a planning, evaluation, learning and reporting system that will manage, incentivise and track progress towards the implementation of the strategy via 90-day challenge reviews, action plans and bi-annual Performance reviews.

- The 90-Day Challenge Reviews outline **performance information** (both quantitative and qualitative) for assessing progress in achieving the development and organisational objectives of this Strategic Plan.
- Investment Fiji developed a **Strategic Performance Framework** providing detailed key performance outcomes and measurement indicators of each of the 10 Challenges.
- Desired **Outcomes and Outputs** for each Challenge are defined at the programme level.
- **Progress achieved** against the expected results will be measured against pre-defined measures and activities.
- Each program and related activity will follow clearly defined initiation and completion dates.
- 90-day Challenge reviews will be undertaken and **potential risks** and delays identified and reported to the board and provide a **platform for reflection, learning, planning and continuous improvement**.
- A review of progress against the Strategic Plan's goals and objectives will be conducted annually, and the results will inform any revision or updating of the plan. The final evaluation in 2022 will serve as basis for the development of a subsequent Strategic Plan.

Risk Management

During the plan period the Board of Investment Fiji, will continue to provide oversight of internal audit and risk management processes.

At a Challenge level there are numerous risks to delivering results, and mitigation measures have been devised at various organisational levels, as shown below:

Organisational Level	Area of Responsibility	Evaluation	Reporting
Investment Fiji Board	Corporate Governance	Results Framework	Updates to Minister
CEO	Strategic Plan Oversight	Risk Assessments,	Quarterly Challenge Updates – Annual Performance Review
Managers	Individual Challenge Oversight	Reflection, learning and planning, regular updates to CEO	90-Day Challenge Review Bi-Annual Performance review
Advisors	Individual Work Streams	Task achievements, regular updates to CEO	90-Day Challenge Review Bi-Annual Performance review

To ensure clear reporting structures, the **RASCI matrix** is being utilized for defining the roles and to determine the tasks, responsibilities and authority of the development group members. The letters R, A, S, C and I each constitute a combination of a name/role and result/process/task.

Throughout the delivery of the Challenges and at the Program level, Managers will ensure that transparent individual **S.M.A.R.T activities are created that deliver on the promise**. S.M.A.R.T. is an acronym that is used to guide the development of measurable goals. Each objective should be Specific, Measurable, Achievable, Relevant and Time-bound.

TODAY'S PRESENTATION

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Overview of our Strategic Corporate Change Program
“Transform to Perform”

Performance Related & General Questions

Audit Related Questions

2. Investment Fiji is known as a “one stop shop” for both local and foreign investors yet we note that ‘ease of doing business’ remains a challenge. What are the measures being undertaken to address this?

The World Bank Group annually produces a Report on Doing Business for 187 countries. The Report provides information on how easy or difficult it is for a local entrepreneur to open and run a small to medium-sized businesses in a country.

The ‘Ease of Doing Business’ report compiled by the World Bank comprises of eleven areas with the relevant processes and steps mapped to determine timeframe and cost. It applies the assumption that fewer processes and less regulatory approvals lead to faster approvals which equate to a better business environment.

In 2016 a Working Group led by the Deputy Solicitor General, Permanent Secretary for Industry, Trade & Tourism, Deputy Governor RBF, CEO FRCS, CEO Investment Fiji and Registrar of Companies began analysing the Report.

The Working Group also met with the International Financial Corporation (IFC), a division of World Bank to coordinate discussions between the Working Group and the Doing Business Team at the World Bank.

Subcommittees have been established aimed at identifying means to improve and streamline the delivery of services to entrepreneurs.

A recent example are the workshop sessions held in partnership with the Singaporean Government concerning ‘Dealing with Construction Permits’.

Performance Related & General Questions

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3. On 'foreign direct investment projects', could you advise the realization rate of projects materializing?

Investment Fiji proactively assists investors in the implementation of their projects.

Major factors contribute to implementation of projects, with time delays often based on land availability, bureaucratic impediments and internal disputes.

An average growth rate of 24% has been achieved for the period between 2014-2017 (Calendar year) for implementation of projects from 74 achieved in 2014 compared to 163 in 2017 and the realization of projects has been around 43% .

Fueled by the 'Transform to Perform' corporate change program, the value of implemented projects has been increasing since 2015 and are expected to exceed \$600 million on 2017/18.

Year	#of Projects	Value (Mio)	Employment
2013	74	\$ 319 mio	2,583
2014	74	\$ 330 mio	946
2015	90	\$ 363 mio	590
2016*	46	\$ 202 mio	1,398
2016/17	159	\$ 536 mio	2,241
Total	443	\$ 1,750 mio	7,758

**depicts the year 01 January to 31 July 2016*

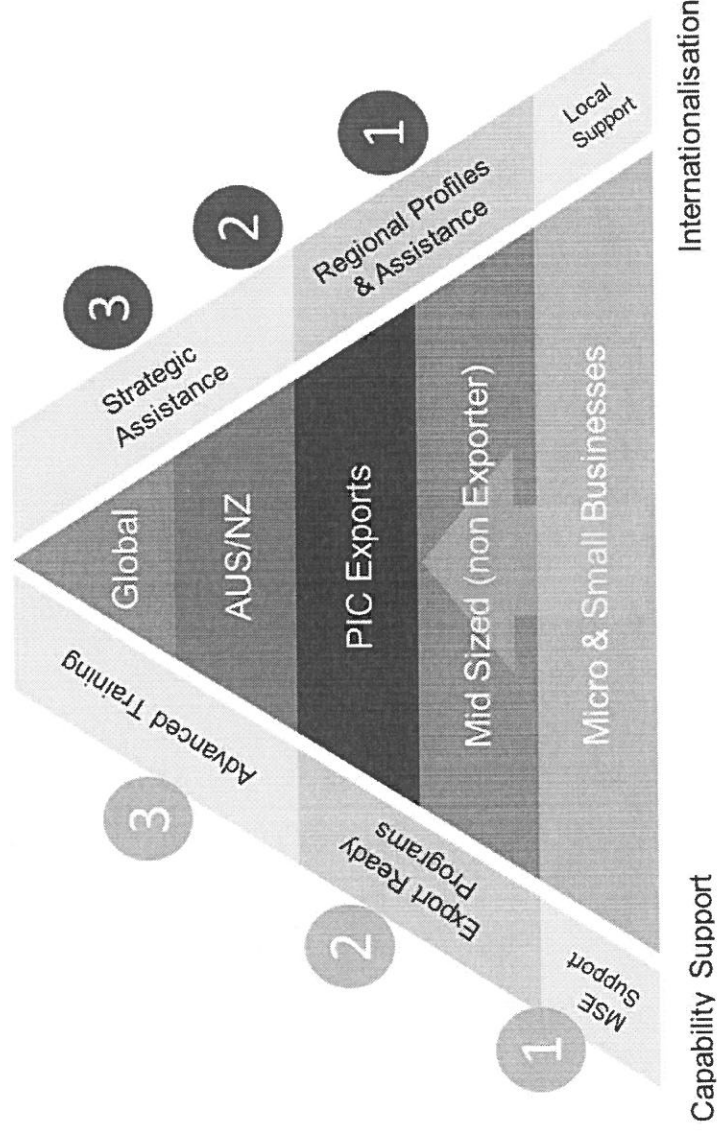
Performance Related & General Questions

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4. What is the role of Investment Fiji in regards to the SME's and its relevance on various sectors including building buyer relationships in specific markets?

Investment Fiji is developing capability and internationalization support programs and enterprise development tools for SMEs to increase Fijian exports. These include technical assistance, information on logistics, regulatory environments and undertaking research on new markets. By helping SMEs to upgrade and become first-tier suppliers, it is anticipated that this will improve the attractiveness of Fiji to inward investment, increase local sourcing and embed investors by raising their exit costs and providing a compelling long-term business proposition.

This key service is part of Investment Fiji's support services, which is designed to maximize long-term benefits from both local and foreign inward investment to develop a comparative advantage for Fiji.



Performance Related & General Questions

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5. On both reports, you have highlighted your 'performance snapshot' where you have indicated that the conversion rate of proposed to implemented project has significantly grown. Can you elaborate on this and is it across the board or specific to certain industries?

The capturing of investment related data has gained strengthen due to the introduction of the after care services and the transform to perform program.

Active consultation with investors has led to capturing investment at development or implemented stages. 2016 Conversion Growth Rate is now 43%.

Growth of implementation is based on overall basis but significant improvement has been shown on Services and wholesale retail for number of projects whereas the investment value and employment is derived by tourism, manufacturing.

Sector	Projects Implemented from 2014 to 2016 by Sector (As reported)				Conversion Growth via Engagement Follow Ups		
	No. of Projects				No. of Projects		
	2016	2015	2014		2016	2015	2014
Agriculture & Forestry	2	7	6		7	9	8
Construction	3	4	2		6	5	2
Education	1	1			2	1	
Financial Intermediation	0	3	1			2	2
Fishing	1	0	0		1		
Manufacturing	5	3	7		6	4	9
Real Estate	1	3	2		2	1	5
Services	46	45	26		88	69	49
Tourism	8	4	12		7	6	17
Transport Storage & Communication	2	0	0		2		2
Wholesale & Retail	31	20	18		37	23	28
Total	100	90	74		158	120	122

6. On the 2016 snapshot, are the 193 foreign investment projects part of a rollover from 2015?

The registration was only for the seven months in FY2016 (01 Jan to 31 July). A total 418 projects were registered throughout the calendar year 2017 (01 Jan to 31 Dec).

7. Fiji has been known in the past as the land of samples, i.e. proposed exporters take samples of their products to trade shows but after securing contracts cannot fulfil export orders. What measures do you have to ensure that all these samples are produced and become viable products in the market?

The purpose of our Trade and Export division is to increase Fijian exports through capability building and Internationalisation support activities, training and enterprise development, identification of export opportunities, market research, introductions, domestic seminars, online tools and printed materials.

Investment Fiji has been conducting domestic seminars across Fiji, and one vital component of extending such services to the regions is in assisting local investors to become export-ready and how to value-add to existing products.

To better understand the market dynamics and exporter needs, the trade team frequently engages with existing and potential exporters based on export engagement strategy model. Customer Engagement Model approach outlines steps on how to work with the exporter, set definite outcomes of the engagement through objectives and activities that allows officers to coordinate with Government agencies and exporters to deliver outcomes.

10. On Page 48 of the 2016 Report, under the 'Fiji- PNG Business Council', can you outline the strategies you employ with PNG given its situation with foreign currency, i.e. how do you motivate Fiji businesses to continue with PNG given the difficulty in obtaining payments?

Investment Fiji are the secretariat to the Fiji-PNG Business Council, providing administrative assistance including membership fee collections at an agreed annual service fee. The question would need to be directed to the President of the Fiji-PNG Business Council.

From an Investment Fiji, and non Fiji-PNG Business Council perspective, we encourage businesses to take a long term approach towards business in PNG, given that it is the largest population base in the PICs.

11. On foreign Investment Regulations, we note that retail businesses are not part of the reserve activities. What are the control measures to avoid direct competitions with locals by Foreign Investors?

The Ministry of Industry, Trade & Tourism is currently reviewing the Foreign Investment Act, part of this review in consultation with the World Bank and International Financial Corporation (IFC) is the development of an Investment Policy.

A detailed review of reserved and restricted activities and minimum investment requirements is part of this process, in order to devise an investment policy that is conducive to attracting quality investors.

12. We note that you have Regional offices in Lautoka and Labasa. What sort of awareness program do you run to ensure people are aware of these office locations and the services they offer?

Investment Fiji Regional Offices have been working closely with key-based Government Offices to coordinate consultations of investor's propositions and prerequisites to landowners on leases, joint venture opportunities and landowner's contribution to certain investments and projects developments.

Over the past 12 months Investment Fiji reinvigorated the Northern Interagency Committee in collaboration with the Commissioner Northern.

In the past 3 months facilitation meetings was coordinated with the Office of the Commissioner Western Division, Lautoka City Council, Fiji Sugar Corporation, Ra Provincial Administrator, Roko Tui Ra, Ra Provincial Office, Itaukei Land Trust Board Lautoka, Ministry of Fisheries, Department of Environment and Department of Town & Country Planning and Fiji Electricity Authority.

Investment Fiji held over 10 workshops and seminars at our Labasa and Lautoka offices. The seminars provided information across a number of key areas for both local and foreign investors as well as exporters, by enabling key government agencies to deliver informative presentations with relation to their organization's role in developing policies and processes geared towards assisting investors and exporters.

The primary goal is to ensure that effective and efficient services is taken closer to their locations.

Investment Fiji Engagement Models paved the way for proactive approach with Key Government Agencies in the Regions, Provincial Offices, Resource Owners, Exporters, Investors both Foreign and Locals

Our Regional team works closely with landowners on identifying potential Joint Venture Opportunities and assist investors in progressing their projects through close collaboration with key stakeholders.

13. Upon completion of the 7 easy steps of the online registration - single window clearance system, then obtaining an FIRC, is it still possible for the Investors application to Immigration to be turned down?

Investment Fiji was established as the Economic Development Board (EDB) in 1980 and is guided by the Foreign Investment Act 1999 ('Act') and the Foreign Investment (Budget Amendment) Act 2016. The Act, together with the Foreign Investment Regulations sets out the guidelines by which a foreign investor can invest in Fiji as per the attached checklist.

The issuance of a Foreign Investment Certificate (FIRC) does not guarantee approvals from any other Government Departments. Approvals from other Government Departments are based on the respective government agency / department policies and regulations.

The Department of Immigration (DOI) is the border control agency of Fiji and tasked with the enforcement of the Immigration, Citizenship and Passport Acts, which includes the formulation and implementation of policies relating to clearances at all ports of entry, and the issuance of visas, permits, citizenships and passports to qualified persons.

Policies and decisions regarding the issuance of work/ investor permits therefore are at the sole discretion of the Department of Immigration.

Once an investor has obtained DOI approval the foreign investor is issued a key post permit with a set validity period. Prior to the renewal of the key post permit, Investment Fiji conducts a Progress Report on behalf of the DOI confirming that the business is an ongoing concern and that it complies with Investment Fiji regulations. Subsequent extensions of work/ investor permits are at the sole discretion of the Department of Immigration.

TODAY'S PRESENTATION

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Overview of our Strategic Corporate Change program “Transform to Perform”

Performance Related & General Quotations

Audit Related Questions

8. With reference to 'Assets' on page 40 of the 2016 Report - the figure for Receivables in 2015 was \$32,149 and for the 7 month period, Jan- July 2016, the figure was \$292,069. On page 48 under Note 9 this is explained as "other receivables". Could you please elaborate on "other receivables".

Please refer below for details on Other receivables.

Other Receivables is as follows:

	Jan-Jul 2016	2015
July 2016 Operating Grant Accrual	\$ 147,061*	-
Motor Vehicle Accident Claim	\$ 23,211*	-
Vat Refund from FRCS on OG	\$ 62,401*	-
Prepayments (Licenses & Insurance)	\$ 32,843	\$ 5,370
Other Refundable deposit (FEA Bond, Rental etc)	\$ 26,553	\$ 26,779
Total Other Receivables	\$ 292,069	\$ 32,149

* Kindly Note that the July 2016 Operating Grant and Motor Vehicle Claim (accident write off) was received December 2017 and November 2017 respectively. However, the Vat Refund on 2016 Operating Grant was received in January 2018 and Monthly reversal is passed on prepayments.

Audit Related Questions

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9. On page 46 of the 2016 Report under Note 3 regarding 'Exporter of the Year Award', could you explain how this operation is run in particular with income and expenses?

The Prime Minister's International Business Awards, formerly known as the Exporter of the Year Awards, is an initiative by the Fiji Government to reward businesses and exporters who are positively contributing to the economy on an international level.

This event is annually hosted and managed by Investment Fiji on behalf of the Fijian Government and is fully funded through sponsorship funds and ticket sales.

Investment Fiji forms a IBA committee for a year. This committee is responsible for the entire preparation of IBA that is from Pre-event, launch, main and post-event. Each committee members are given a tasks in relation to the successful execution of IBA.

Investment Fiji approaches corporate companies for sponsorship for each category of Award and once they are on board, the companies sign a contract which is vetted by the SG's office. Upon signing the contract, the sponsors pay investment Fiji the agreed sponsorship amount. These funds are deposited into a separate bank account specifically opened for IBA. The cheques are also withdrawn from the same account to cater for all the expense relating to IBA.

The expenses incurred are verified and accorded specifically for the overall preparation, pre-event, launch, main and post event.

A monthly update on the status on IBA is also presented to the Investment Fiji Board by the committee.

During Investment Fiji's Financial Audit, IBA Income and expenses are also audited by the Office of the Auditor General.

Audit Related Questions

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14. On page 50 of the 2016 Report, Note 13, regarding FIRC Registration Fees, we note that there is a substantial increase in 2016 over 2015 and 2014. 2014 was \$355k, 2015 \$275k and 2016 (6 months) \$522,500. Please elaborate on how IF achieved this significant increase.

Investment Fiji is fully grant funded and all FIRC Registration fees collected by Investment Fiji are paid to the Ministry of Economy and not retained by Investment Fiji.

FIRC Registration fees are based on the Application Fee of FJD \$2,875.00 (VIP) and the number of applications received.

The above relates to the Foreign Investment Registration Certificate (FIRC) Fee collected from January to July 2016 which was payable to Ministry of Economy on the balance date.

Monthly FIRC Registration fees collected fluctuates throughout the year, therefore, the money is returned to MoE in lump sum payments. This payment is reimbursed to MoE upon timely receiving of grant payment. The balance Fees which are not returned are booked as a liability (Payable to Ministry of Finance) as stated in Note 13.

Refer below for further information on the Fees held by Investment Fiji on Balance Date:

Month	Amount Payable to MOE
Aug – Dec 2014 (5 months)	\$ 355,000
Oct – Dec 2015 (3 months)	\$ 275,000
Jan – Jul 2016 (7 months)	\$ 522,500

Thank you very much

**Verbatim Notes
of the Standing Committee on
Economic Affairs**

Submittee: Investment Fiji

Tuesday, 1st May, 2018

VERBATIM NOTES OF MEETING OF THE STANDING COMMITTEE ON ECONOMIC AFFAIRS HELD IN THE SMALL COMMITTEE ROOM (EAST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS, ON TUESDAY, 1ST MAY, 2018 AT 11.42 A.M.

Interviewee/Submittee: Investment Fiji

In Attendance:

- | | | |
|--------------------------|---|---------------------------------|
| 1. Mr. Godo Mueller-Teut | - | Chief Executive Officer |
| 2. Mr. Ritesh Gosai | - | Manager Investment Facilitation |

MADAM CHAIRPERSON.- Good morning everyone. We have with us today the team from Investment Fiji, led by the CEO, Mr. Godo Mueller-Teut and accompanied by the Manager Facilitation – Mr. Ritesh Gosai.

We are here today to discuss the Annual Report for Investment Fiji 2015 and also 2016. We will be doing a consolidated report on both of them.

We are the Standing Committee on Economic Affairs and I think you have met everyone, you are familiar with everyone so we will give you the floor to do your presentation and if we have any questions along the way we will jump in. Thank you very much.

MR. G.M. TEUT.- Thank you, Honourable Members. As you can see in front of you is a thick presentation and I will try to race through the presentation. If you do have any questions please stop me and I will address those as we go along.

What I have done is taking the questions that were asked and divide them to three separate sectors:

1. The overview of the Strategic Corporate Change Programme “Transform to Perform”;
2. Performance Related and General Questions; and
3. Audit Related Questions.

The most significant programme that Investment Fiji has undertaken over the last couple of years is indeed to transform to perform programme. It was launched in March, 2015 about three years ago, with the view of radically changing:

- What we do?;
- How we engage?: and
- How we deliver services to our customers?

We started off three years ago by doing a culture survey that looked at job satisfaction, engagements and the general ambient and atmosphere within the organisation. As you can see from the slides, it was not a very pretty picture.

Our staff were dissatisfied and ambivalent across most categories; whether it is the tools to do the resource on the job well, define goals and commitment to deliver quality. We were not really a very satisfied organisation. The same came when we did the job passion and self-evaluation survey. Again, a majority of our staff members were dissatisfied and ambivalent,

including a high degree of dissatisfaction with the remuneration levels and generally a low esteem and low engagement.

The Board of Investment Fiji and the senior management set out to define the purpose of our organisation. We defined our purpose to set 10 challenges which were executed and monitored right in the action plans and agreed to on the structure that will allow for the purpose and challenges to be met. The purpose is commonly defined in the submission, the spirit and focus is a vision and the core values with other characters and beliefs.

This is an approach that looks at a bottom up rather than top down approach. Why we say this is the purpose of the organisation and why do we exist as an organisation. We defined that as developing a sustainable and successful nation by stimulating investment and exports. That is what this organisation is for. Then we said, what energise us? Well, we want to achieve a better Fiji, for all stands in line with greater Government vision and to do so by creating wealth for our nation.

In terms of characters, we want to be professional, transparent, visionary, effective, influential, innovative, passionate and communicative. Then we are concerned with beliefs dedicated to growing a smart Fiji economy, invest in and inspire our employees, committed to working with other Fijian Government services, connect investors, businesses, Government agencies, connect to exporters to international opportunities, strive to position Fiji as the hub of the Pacific and create economic, social and environmental value of being responsive and flexible.

We also looked at our great demisable challenge, which is the most ambitious goal that we can set ourselves and that was indeed to being innovative and empowered to influence policy and stimulate investment and trade.

Investment Fiji was not really part of the round table, we were not involved in positions when consultations came into incentives and a number of policy related issues relating to investment were not really made with Investment Fiji. So as an agency, we said that over the next three years we want to be that “want to be that innovative agency”, thus empower to influence. We are not a policy making agency, we are an execution agency and body. We want to be able to influence policy because we are the ones who are dealing with exporters, we are the ones who are dealing with local investors and we are the ones who are dealing with foreign investments.

We set ourselves ten challenges that would be executed over a three year period. The first two were about us challenging ourselves, our skills, our abilities and the next two were about getting better on what we are doing, our processes and the remaining six were about growing the business. The first one was to realise the full potential of our people. Revitalise and refresh our corporate image, both internally and externally, which did not really exist, develop and deploy fully integrated IT platform. We had major problems at IT, we had outdated service, we had more than 1.6 million viruses.

It needed lot of rekindling, design and implement a new engagement model that really looks at the holistic organisation as such, not just what we do, but how are we doing it and processes and how we operate within and with our external key stakeholders, device structures to identify and promote high impact investment opportunities, map and identify exporters to develop appropriate international growth models, maximise the value of international networks, add to our investors, build proactive energetic collaboration with key Government

agencies and alliance partners, revise the Investment Act Decrees and KPIs of Investment Fiji, to better reflect that of an international promotion agency and allocate funding and resources to reflect the strategic priorities.

Effectively we moved from being reactive to proactive, from facilitator to an opportunity creator, from being *ad hoc* to plan but 'on the fly', from cooperation to collaboration, from spreading ourselves then to making more impacts and getting bigger hits.

Within the organisation, we moved from a confusion to an alignment, focus on compliance to a focus on customers, exporters and investors, process focus to performance focus and from working and operating within silos, to having a stimulus approach across the organisation and for inconsistency practises to the Investment Fiji way.

A lot happened in three years and three years later, we ran another culture survey. This was the 2015 result and also the 2018 result. We now have a fully engaged, committed and dedicated workforce. We have achieved literally 9.419.63 out of 10 marks across the range which shows a very detailed and dedicated commitment by our staff who are satisfied with the work and believe to have the right and relevant tools, engaged and committed to what they do and believe in the purpose for what we are doing.

From the staff evaluation perspective, again, you can see a vast improvement from the 2015 to the 2018 results. Some of the elements that are little bit lower but are still excellent, such as keeping informed the tools and resources have been addressed. We now have a lot more internal meetings and consultations and the new CLS system that we have just launched really helped us to identify certain tools of the new organisation. Effectively, over a three year period, we really achieved a significant amount of engagement.

So we did not, we said we would create an effective structure that makes sense, is adaptable and delivers. We moved on a big focus on our people, we recruited, trained and developed people, we move from disengaged and ambivalent to engage. We created a new technology platform that is fast, intuitive, and works. We created a new export model that is collaborative, effective, integrated, agile and results driven. We revised our investment and FDI module to understand the requirements, act fast and deliver better results and we are collaborating across all areas, whether it is within Government organisations in Fiji, whether it is our partners overseas, whether it is NGOs, embassies and other friendly entities that we are working with. We have created Investment Fiji that is proactive, efficient, collaborate, intelligent and to some degree influential.

So what other milestones have been achieved? Our people, we created a new leadership philosophy, new salary banding, new job templates, new individual KPIs and new performance framework. We recruited across all the positions, developed a new engagement model and new customer model, skills and training modules and new personal development plans, and we initiated the experience exchanges with some of our staff travelling to Japan for instance, to work with our equivalent Japan to understand what they are doing. So, it is not the traditional sessions of going overseas and just attending something but actually being embedded with an organisation to understand how they are doing, what we can learn from the undertakings we can take and how we can then further improve our organisation.

We have ongoing programmes to attract develop and reward performance and attract talent. We are continuously providing skills and training modules and performing our annual

staff engagement surveys and still engaged with experience exchanges. And part of this is also in the leadership documents and the vision of KPIs, which we addressed in the 2018-2022 strategic session which was held in Denarau last month, and I will come to that at the end.

Our Corporate Image - We refreshed our offices, we updated our stationery, our promotional materials, we have new annual report templates, we have the new leased based vehicle fleet, we created new image and re launched the Prime Minister's International Business Awards, a re-map and a refresh of the exporters awards which purely have an export focus. The new awards really have more of an international business focus so it is geared towards domestic companies as well as companies that export. We have been continuously working in terms of media coverage to actually disseminate what we are doing in a positive manner, and we will continue to do so.

We reviewed our IT platform, created a new structure, entered new servers, thin clients and laptops, smart phones, tablets, PABX access terms, worked on a new policy, created a new CRM System and are currently working on the update of our website, which is going to be an interactive smart websites that is taking us much longer to conceptualise than we initially wanted to. But it will be launched by the middle of the year and is going to be a very useful resource for anyone; whether it is a foreign investor or a local investor, whether it is an exporter or someone who wants to buy products from Fiji, they will find the information on there in an updated and timely manner and fashion. Everything is going to be downloadable, videos will be there, it is going to be the central data repository when it comes to information regarding investments and exports.

We developed a new engagement model that is really an implemented customer focus that looked at developing engagement plans, adopting the business model canvas, revised processing teams, created engagement teams, streamlined FIRC processes, mapped internal process, launched the RASCI principles, executed market communications plan. Now in terms of the engagement model, we have really developed as four stage approach.

So the first stage is to identify who the customer is. What is their business model? What do they do? And that is where the business model canvas comes into play that looks at the internal structures, the resources, the value chains, to really understand what this company actually does. Because only once we understand what the company does are we able to offer the right kind of relevance support services, without knowing that we effectively fly blind.

The second stage is to justify why we are working with this particular entity? Why do we dedicate our resources to working with this entity? What are we getting out of it. We need to identify and highlight that as well.

The next stage is to develop a key set of objectives together with the customer that outlines the high level interactions that we are going to have with the company. And this is then followed by individual actions and activities that are carried out by our team members and our stake partners and possibly external entities.

What we have also done is that we have integrated this particular process into our CRM System. So we are able to see who is doing what, which project someone is working on, how long they are working on this project, what the outcome of the project is, what are the values that has been generated, how long it took in order to really map ultimately once we have all the data collected to ultimately map the investment journey of a particular investor or the export journey of a particular exporter.

We try to identify having investment opportunities by developing a new investment model, implementing the customer focus on those, mapping investors touch points and devising variance to training programmes, developing sector profiles which are basically two different types:

1. Two page summary that provides a snapshot of the industry; and
2. a detailed document that can go up to 40 pages that looks into the detail of the sectors which investors can also have a look at and with investors I am talking about local client foreign investors.

We develop economic profiles in conjunction and collaboration with the Reserve Bank of Fiji. We develop the joint venture profile pipeline or in fact what we did is we went out and we said, "Well, which are ready made investment projects that are already here". So for instance we are working with the Gokal Group on trying to attract an investment partner into their employment resort, they are looking for 40 percent equity stakeholders. The same with the new Holiday Inn Resort in Denarau South and there are other developments also some other commercial real estate developments. We are not real estate agents, so we are not going to be looking at small little projects but those projects are significant.

So the hotels have got an overall price take-over of \$120 million, so \$40 million of that is significant investment and therefore, we are looking at potentially to try and find investment partners. We are also working with land-owning communities on potential sites, trying to joint venture partners across different industries sectors and across various other sectors that is not just the hotel industry or the real estate industry, but just across all the industries and sectors.

Another thing that we are looking at is working with the Ministry of Public Enterprises on building a public private partnership pipeline. But this project is currently on hold depending the Ministry of Enterprises finalising the Act and understanding what they are intending to do with the various different entities. But once that is there, then we have got the ability to assist and attracting potential investors into PPPs, whether it is local or foreign.

The third element that you see on the right hand side is Global Value Chains. So really what we need to look at is, how can we tap Fiji into Global Value Chains? What can we do to really improve Fiji's position internationally and at national competitive level?

One of the areas that we are looking at the moment is ICT/BPO Sector the business process outsourcing sector, where Fiji does have an advantage, we are connected to the Southern Cross cable. We have got a number of opportunities there. At the moment, the focus is on Level 1 services which is Basic Call Centre Operations and basic BPO operations. But ultimately what we would be really interesting for us to do is to look at Level 2 services which are the main support service that are currently provided in Australia and New Zealand. So if someone has the problem with Microsoft or with Google, they intend to call someone. For troubleshooting and that is done in Australia and New Zealand and then a very advanced star is done in Singapore.

So we do have the ability to potentially take on that particular role and we are talking to the universities on devising the relevant education programme, so that we actually have the graduates to fill these positions in the future.

We are talking to the industry, we are instrumental in forming the Business Process Outsourcing (BPO) Council for the private sector to actually talk to each other and work on it. So our role is not that of a lead agency, but our role is that of a facilitator and that is what we

are trying to do. We are trying to identify these projects as we come along. We also need to be careful that we only buy or we can choose so it would be a stage approach and a step by step approach.

Export growth model: We developed a new export model, something that Investment Fiji has not really been doing in the past, was not a strong focus on exports. We mapped our export at touch points, devised export readiness stage model and devised training programmes. We drafted export collateral and the new website will have very strong focus on that as well. There is a model at the bottom that I will address a little bit later, if I may. One of the questions that relates to SMEs and that looks at the various different stages from the internationalisation and capability growth perspective.

The next focus that we have as the projects are underway is really to develop our ROI Models. What is the return on our investment when we deal with exporters? Our trade shows effective, how effective are they, what is the capital outlay compared to return? And ultimately we are also working on identifying future export opportunities, so with the direct flights to Singapore there are now opportunities that we have for instance within the Agricultural Industry looking at special niche produce that is consumed in South East Asia whether it is *durians*, *rambutan* or other items that are very expensive commodities and very high value added commodities, to become potentially grown in Fiji because we have got climatic conditions that apply to it and then sell at premium prices to those particular markets. All of these are currently under review and we are analysing looking at a number of those as we speak.

International Networks: We launched and engaged a model that also had the interact activity and connecting points. We have got MOUs and Foreign Affairs with international trade promotion agencies, I think we have signed 16 MOUs with various different entities, both Government departments, international agencies, entities such as MDF and various others in order to broaden our reach and obtain information that is otherwise difficult to obtain. It does not mean that we share everything with them but at the same time especially with third party entities, we are able to absorb and ascertain a lot of information. We developed new FDI attraction packages and export promotion packages and held a couple of joint missions with a number of international entities.

Domestic collaboration: We signed MOUs with all Tier 1 and Tier 2 agencies, Government Departments and key NGOs, in order to develop models of reducing red-tape. We reinvigorated the Northern Inter-Agency Committee, together with Commissioner Northern and we are trying to create a collaborative approach with everyone in Fiji, whether its landowning associations, Government Departments, whether it is NGOs that are based here, whether it is a private sector, in order to disseminate information correctly and work with these entities properly.

Challenge 9 – Revision of Investment Act: We have been engaging and working with the World Bank International Financial Corporation for over three and half years now. This basically was to look at the Act and to try and develop a policy, again I will come to that where the particular question has been raised on the Reserved Activities, but MITT, as our line ministry is in charge of policy and they are the ones who are dealing with and steering that particular discussion. But, if I may, I will discuss that a little bit later during the particular question.

The last challenge really that we had was the funding challenge.

Funding is always a challenge on rights. Yes, I am sure we all have the same problems and it really has been a struggle because a lot of the programmes that we wanted to initiate, we were having to operate those on shoe string budgets. What we did is, we developed a strategic plan, we monitored it now through the Action Plans and we basically monitored our strategic priorities. Over the last three years, we actually managed to achieve a vast number of those challenges that we set ourselves.

If you look at this particular one that is milestone achieved, as I said, we developed a new structure, a new leadership appointment, new engagement models, IT structures, management team, we invested and developed our people and we developed a new strategy, we engaged with a lot of different entities, we developed MOUs and we automated the FIRCO (Fond Investment Registration Certificate Process) through CRM system.

We developed new systems, IT systems, websites, CRM system, investor databases and we are currently working on intern and intranet that will have all the training modules online so the operational system of the CRM system inductions, so Managers will basically speak and introduce the various different divisions then there will be questions and people will basically do recruits or go through those particular questions. So it is a self-inducting training and any operational procedures and protocols will be online as well with the online tools, self-tests that really allow new staff members as well as existing staff members to refresh their ideas. And we have integrated and launched the mobility strategy and mobility platform with tablets and smart phones, allowing our staff to be able to convey the messages as and when they are in the field. And we really try to work towards our greatest imaginable challenge, which is being innovative to empower to influence policies to make investment and trade.

In March, this year, we had the strategic plan 2018-2022 development workshop, which basically reviewed the "transform to reform programme" and set the strategies for the next five years. Doing that, we looked at the five and 20 year National Development Plans to ensure that we are aligned the Fijian trade policy framework and we also looked at some of the work that was done by the IFC and the Ministry of Industry and Tourism in regards to the new proposed Investment Policy and Investment Act. We also reviewed our purpose.

Now the Board and the key stakeholders which included the Ministry of Industry, Trade and Tourism agreed that our purpose spirit focused and greatest imaginable challenge still remains the same. We have made some small amendments to our beliefs, adding customer centric elements to it and after-care support services. And we also believe that we are reflective as an organisation to ensure best practices are followed and adhered to.

A very interesting exercise that was taken was the Strength, Weaknesses, Opportunities, Threats (SWOT) analysis. Now the SWOT analysis was done by the attendees of the Strategic Development Workshop, all the Management team of Investment Fiji, all the Board Directors, as well as representatives of MITT. We looked at what are our current strength, weaknesses, our opportunities and threats.

You might recall the presentation at the beginning, we talked about the promise that the organisation had, that it was not focused, that it did not have data, it did not have a proper structure. Well if you look at the strength that we have identified Investment Fiji is having, access information, CRM Systems and website, that was previously our biggest weakness. The clear structure and strategy, that was our biggest weakness; agile - able to respond quickly during prior recent requests, that was one of our weaknesses; collaboration and coordination across key stakeholders is now our strength, but before it was one of the weaknesses; customer

focus - we did not have people; skilled with dedicated staff, strong governance and leadership, focus on foreign domestic investors and investments- we did not have a local focus before, we do have that now.

So effectively most of our weaknesses that we identified as an organisation three years ago have now turned into our strength which shows that the transformation programme has indeed fulfilled what it sets out to do. There are still some threats that we are facing. There are still some opportunities, brand for inward investments, we still need to develop Fiji as a global brand for inward investment. We focus more on our internal strategies over the last three years. Now we are focusing on the external side. We built the engine, now we are firing up and really get going, and actually delivering on what we built.

So, we set ourselves 10 new challenges for the next five years. The first is similar to the other one, it is a track recruit retain key staff and develop a learning culture. We still need that, still fundamental that we have the right people to be able to attract the right people and retain the right people and that we have a learning culture within the organisation that allows us to really move on and ensure that we have the best and the highly skilled people in the organisation and in the country.

- We move in transition into a high performing Investment Promotion Agency (IPA) through best practice and adoption of a new Investment Act and Policy.

Different approach to what we have been doing previously requires different strategies:

- Development and maintain upgrade the IT Infrastructure website and online portals and ensure high levels of IT border security. We need to be aware that as we improve our IT footprint globally so will our attacks so will be on ransom way attacks and also cyber-attacks. So it is imperative that we not only build the structures but we also protect our structures. We continue to invest in our IT and continue to embrace technology as it develops.
- Proactive energetic collaboration with policy makers and improving their business environment. This goes in line with the second question which relates to the ease doing business.
- Identify and promote high impact investment sectors not just opportunities but sectors, Joint Venture Partnership, Global Value Chains and Public Private Partnerships.
- Develop Internationalisation and Capability Development Programmes aimed at increasing value added exports and participation in Global Value Chains.
- Develop strategic partnerships with international networks.
- Continue to enhance aftercare support services through collaboration with key domestic partners.
- Position Fiji as international investment destination; and
- allocate funding and resources to reflect strategic priorities.

So, how do we do this? Similar to what we did in the previous year but we just want to briefly give you an overview. So we got a performance measurement :

- We use 90 day challenge reviews that outlines the performance information (both quantitative and qualitative) for assessing the progress.
- We develop the Strategic Performance Framework, detailing key outcomes and measurements indicators of each of the 10 challenges.

- We have the Outcomes and Outputs of the challenges defined at an operational level and programme level.
- We track the Process Achieved against pre-defined measures and activities;
- Each programme will clearly define initiation and completion dates; and
- We also have and will continue to monitor potential risks and provide a platform for reflection learning, planning and continuous improvement.

The plan is reviewed annually and the plan will then be amended if and when we complete the challenge for instance and my believe there is another one, then we will have this. These plans are organic they are not set on stone, they transition as the markets transition and as new opportunities of challenges may arise or some may be fulfilled.

From the risk management perspective is a four tier structure, advise us, we look after individual work streams and there will be review through the 90 day challenges.

Managers basically look at the outputs and provide oversight and again there are 90 day challenge and also all of these were formed part of the performance reviews because with the CRM system, each of the activities that this individual staff members are doing is part of their overall performance plan. So we are not only able to measure that ordinary performance but also the transitional strategic performance and activities and actions they have for each of those.

As the CEO, my role is to provide strategic oversight and present quarterly updates to the Board and the Ministry and for the Board to provide updates to the Minister. To ensure that structures are adhered to be followed the RASCI matrix. RASCI basically is a useful tools for defining the roles and responsibilities. "R" is the responsible person those that actually do the work and they response for the result. "A" is the person who is accountable, the one who ultimately does the work. "S" is supportive those who supply the support information. "C" as people that need to be consulted and "I" are those people that need to be informed.

So this is just a brief overview of the detail that goes into the individual challenges, individual work streams. So we identify an outcome, we have got the output, the measure, the relative activities, then the rescue model, who is responsible and again that is captured in the CRM system as well.

So we will be able to monitor and who does what, how and where? How long does a certain person has taken? What is behind schedule? What is ahead of schedule? When it is planned to start, when it is planned to finish and potential risks.

I think this came through 75 pages of appendices on our strategic plans, so it is quite detailed, but again, it is organic, so it will be updated, amended and revised throughout the last span of the five year period.

Now that was a very brief, I think the briefest review of the programme. Are there any questions at this particular stand?

HON. P. SINGH.- On threats ,how are you addressing the red-tape and bureaucracy within MITT and with line Ministries?

MR. G.M. TEUT.- The key to overcoming any problems is collaboration and building decent working relationships and we have achieved that over the last couple of years. We are

now part of a team, we are no longer seen as an external entity. We have established relationships with those members within and you question with MITT that are relevant to our particular managers, so Director Trade will work closely with our Trade and Export Manager, Ritesh here is working closely with Economics and I work very closely with the Permanent Secretary. What we have done is we have created linkages and we are able to work cohesively and concurrently with MITT, but also helps us of course is that the Permanent Secretary is a Board Member, so whenever we have got our update presentations, whenever we have got our monthly board meetings, there is an update automatically provided to the Permanent Secretary that then allows us to work closely with them.

HON. V.R. GAVOKA.- Chair if I may, your challenge 5, I am quite intrigued about the investment ready projects, it is quite remarkable, it is something that I believe Fiji should have had all these years. Once the Government team announces in Parliament that they were going to one of the Asian Countries Ex-Soviet block and I asked a question, 'are you taking any products with you?' They were doing attract investment, what I was looking for was, 'investment ready projects'. That is about 20 or 30 that you take to a road show. How do you decide on this? What process do you go through, if I can elaborate a bit further, we also look at the EFL, there is a lot of interest on Independent Power Producers (IPP). They should meet investors from outside, so I find this very promising but how do you agree that these products can attract investors?

MR. G.M. TUET.- Thank you. It is a very good question and in fact you hit the nail on the head, when I first took on the role, I had a mission on overseas mission and it was very difficult to sell Fiji because all that we had was generic information and we did not have any specific detailed information, we did not have specific sector information. We did not have specific opportunities, so it was more of selling and creating awareness and I think that is what is being done successfully over a number of years as we raised certainly international awareness but have not been able to sell opportunities. Going forward, this is exactly what we are doing and part of the new Investment Fiji approach that we are planning is exactly that, selling opportunities, identifying opportunities and then going after them.

Coming back to your question on how do we identify opportunities. What we do is we, through our regional offices and through our investment team, we work very closely with invest tours, both local and foreign who are initiating, about to initiate or have initiated projects. For instance, that is how the discussions with the Gokal family came about on the Pullman Hotel, and they basically said "ok, we are going to be investing over \$100 million in this project. It would be nice and we believe that we could do more but for that we need to free some capital. So they decided that \$40 million or \$50 million an additional capital will allow them to then commence another project. So, this is how this particular discussion came about. We said "Listen, we can try to help you, to try to attract to find a potential investor for your project."

The same with Nasoso Island, we are working with them as well on a number of different projects. As I said, another one is the Holiday Inn, so what we intend to do is we intend to do projects, we intend to work with projects that already have approvals, that already have certain green lights given, then we can indeed promote and sell the investment opportunity.

At the same time, we are also working with the new potential projects. The landowning associations would like to do something in their areas and going forward, all we would like to do, especially on the tourism industry, is to obtain approvals in principle, because some of the or especially hotel developments take four to five years to come to fruition. It is not because

it takes four to five years to build it, but it takes four to five years to actually get the various different approvals, and that is a major impediment to investors.

So when we talk to investors or developers for instance, that is something that they are not very keen on. So we are now looking at identifying ways in which we can work with the *mataqalis* and the various different land owning units to obtain approvals and principles. So in principle, you do not have an objection to four shore leases, you do not have an objection to hotel being built here, what kind of hotel. Basically, you get some basics, it is still in the discussion stage, and we have some entities that are willing to work with us.

The other thing that is very important for us is that we do not intend to promote individual projects. So we are not real estate agents, so if someone has a house they want to sell or for instance, we have lot of developers who want to develop real estate projects, they want to build 50 houses and sell it, especially around Denarau and Wailoaloa and all these areas. We do not work with those guys because these are just purely real estate projects, they have no benefit for Fiji as such.

However, we are working with a local entity in Suva at the moment who wants to build an office tower and would like to have investors on that. We consider that being strategic partnership because Suva currently likes prime office space and therefore, we are interested in assisting companies in that particular regard.

We are also working with entities like Carpenters for instance on their developments. We have not as of yet found a main linkage but we have the number of fish on a hook so to speak. But so far none of the large projects which have, but the smaller ones have, but none of the large ones have. Going forward, what we would like to do as Investment Fiji is and this is part of the challenge too, is to become more of an international investment foreign agency.

So rather than sitting in Fiji and waiting for the relevant investment to come to us, is to actually work with the various different stakeholders in Fiji in identifying what kind of projects, what kind of entities do we really need, do we want; what kind of international large scale entities do we want; and then creating the relevant environment in Fiji by looking at incentives, by looking at relevant land sites. Once we have done our homework and groundwork, then tie those particular international entities and convince them to come to Fiji. But that means there will those who benefit for Fiji, either in significant employment generation or in significant up-skilling of entire industry sectors, uplifting of entire industry sectors.

So it is very exciting type. I can talk about these for hours, so you have got the whole day, if you want.

MADAM CHAIRPERSON.- Should we move along to the questions, which is the second part?

MR. G. M. TUET.- You can always, if you would like we can go back to some questions later as well.

MADAM CHAIRPERSON.- Probably have to.

MR. G. M. TUET.- The second question is about Investment Fiji is known as a 'one stop shop', for both local and foreign investors, yet we note, the ease of doing business remains a challenge. What are the measures being undertaken to address this?

The World Bank annually produces a report on doing business for 187 countries. Now, these are rankings, so one person on top, one person at the bottom, there cannot be five people in Number 2, it is a 12187, so even if you make small amendments others make better amendments, it still not necessarily move up depend on how well they do.

I think another very important elements to raise is that the ease of doing business report has got a very simple assumption. It assumes that the less processes and less time it takes to do certain things, the better it is. By and large one can agree with that but not always. If it comes to construction permits, for instance, I believe one would still want to have some form of control before one passes the inspection certificates. There still needs to be some kind of balance.

There are effectively 11 indicators, 10 of which are measures:

1. Starting a business;
2. Dealing with construction premises;
3. Getting an electricity;
4. Registering property;
5. Getting credit;
6. Protecting minority investors;
7. Paying taxes;
8. Trading across borders;
9. Enforcing contracts; and
10. Resolving insolvency.

In 2016, a working group was established, that was chaired and led by the Deputy Solicitor-General, the Permanent Secretary for Industry, Trade and Tourism, the CEO - FRCS, the Deputy Governor, Reserve Bank of Fiji, myself and the Registrar of Companies, analysing the Ease of Doing Business Reports.

There were some inconsistencies in the reporting, whereby the World Bank for instance reported on getting electricity, they had one response for someone who needed a sub-station and spent \$15,000 on it and that is how much it costs to get electricity. So there are some outliers in the reporting which is why the Committee then decided to engage with the World Bank and International Financial Corporation to be able to interact with the Doing Business Team at the World Bank. We have had numerous teleconferences with the team in Washington DC to look at the various different indicators to understand how they measure and also to understand how we can go forward.

I think we all acknowledge that there are still a lot of regulatory approvals and cumbersome processes in Fiji and part of those or majority of those stem from the British Heritage. It is not just important to look at the process and automated because what we will have the same process that does not work and it takes far too long that is just computerised. But to actually process engineer all of the processes and question whether or not these processes are relevant.

In the beginning of the year, a team from the Singaporean Government was in Fiji for a couple of weeks and went through a vigorous analysis of in Dealing with Construction Permits indicator, where each of the members of all the relevant agencies were present in the world challenge to redefine the status quo to say "listen do we really need this, do we need this approval, why do not we do it in this way? and to really cut down the different process. Now,

Ritesh you remember of that just well? Would you like just briefly spend a minute on explaining them?

MR. R. GOSAI.- Thank you CEO and Honourable Members. One of the most important things that we have noted that there were in dealing with Construction Permits. There were nearly nine agencies involved and there were numerous processes that were unnecessary and repeated.

I mean we had to benchmark or adapted from the Singaporean issue in which their approval been done in one day. Majority of the requirements have been provided before even the investor or the builder would go into the organisation. So the practice was for one week and we have realised that 60 percent of what we do in Fiji perhaps would be repeated and Singapore is really reduced it and that is why their ranking is strong rate.

MR. G.M. TEUT.- It did not take them one day, it took them many, many years and a lot of countries are working on this over a longitudinal timeframe. I would like to reassure you that we are working on it, the working group is meeting regularly and the various sub-committees are meeting regularly as well.

Another thing that is quite important to point out is that there is the Ease of Doing Business is about a local entrepreneur wanting to open and establish a small to medium size business and in the case of Fiji in Suva. It is not about foreign investors, it is about a local entity wanting to do so.

Of course if you look at the way that we operate in terms of foreign investment, once an entity a foreign investor obtains a foreign investment registration certificate effectively he becomes a local entity and therefore he faces the same challenges. From our perspective, it is our great interest to ease the doing business and if you look at it, it is actually part of our challenge two, going forward to work with a lot of entities are free to work with a lot of entities in order to try to overcome this.

HON. V.R. GAVOKA.- Because at the rate where are we ranked now?

MR G.M. TEUT.- Yes, 101, I think and the two weakest areas for us is getting credit, there was a massive drop and that was because we abolished the Credit Bureau. Part of the indicators of getting credit is to have five years of data from the National Credit Rating Agency.

We do not have one anymore at the moment, but now we do again. We did not have one so obviously in this particular indicator, we usually rank quite high, we dropped down to 160 so that is why we did not actually have any improvement even though there were some improvements we made on the other sides. But as the new credit rating agency gets filled up and has information, we will be increasing that particular rank, but as the required five year data, it will take us five years in order for that to actually move up.

Others just starting a business, where we also quite low and that is down to a number of bureaucratic steps in terms of name reservations and approvals. Also to be perfectly honest, some of those rankings are not correct, so the World Bank reports still classifies on this particular indicator that a company need to submit the constitution which you do not have to, taken online at the Registrar of Companies and use that one, you do not have to spend two and half thousand dollars paying a lawyer to do so.

Some of those are not quite correct, but what their argument is, they are saying that it does not matter what the policy is, that is for tapping it on the ground. Even if you change the policy, they will look at what is happening on the ground and they are looking at sending out these surveys, two operators to operator within a country. So it would be lawyers, it would be consultancy agencies such as the KPMG, PWC, Whiteside, you name it. Those entities will get the service on annual basis, they will then provide their feedback on it. These are longitudinal projects, Malaysia has been working on theirs for 15 years, I visited them. They have qualified for interesting structure, but it is a challenge but it is one that I would like to assure you that we actually all working on and addressing. There will be some improvements, but it is a cultural challenge as well. A lot of agencies, a lot of departments do not want to change with what they have been doing for many, many years, so it is a very sensitive topic, across different, different borders and across different departments. So what is required is buy-in.

The last thing we need to do is enforce and say, "this is what you have to do. We have to get each individual work stream to work on it, which is exactly what was done on dealing with construction permits, that was a very successful workshop that richly opened everyone's eyes.

MR R. GOSAI.- One of the reports that we had seen, FRCS services usually in actual sense, we have seen it takes around 24 hours or one day to get the TIN Number and that report says 30 days. I am referring like for four or five years ago. That does not really match and we did liaise with the authority and cases are extreme as well which are reported. These are the assumptions that we have to be also wary of. Just a note that I wanted to say.

MR G.M. TEUT.- The next question concerns foreign direct investment projects. Could you advise the realisation rate of projects materialising?

Sir, Investment Fiji proactively assist investors in the implementation of their projects. Major factors contributing to delays, often based on land availability, bureaucratic impediments, red tape and internal disputes. The average growth rate has been 24 percent between 2014 and 2017 calendar year. For implementation projects were 74 in 2014, compared to 163 now, but 159 in 2016-2017 financial year. So it is very difficult when you talk about numbers because we are reporting both, the financial year and the calendar year.

So, when we talk about investment trends, we usually talk about calendar years but of course the Annual Report has got financial years in it so sometimes the figures get little bit muddled but we now have for CRM System, it is a clear conversion so we are able to actually work with both.

As you can see, this is their number of implemented projects. Implemented projects are realised projects, projects that have come to fruition. In 2013 and 2014, there were 74 projects and in 2016 and 2017 that was the financial year we were just closing, we had 159 projects. We move from about \$300 million implementation value to \$536 million, and this year we are targeting to exceed \$600 million.

This is due and driven by our engagement approach, it is by working with our investors, understanding what they are doing, collecting the information, encouraging them and moving forward and really trying to get them to see us as a partner, so they can push their developments further and of course alleviating red tape in the process. So over the five years and that includes half year in 2016, 443 projects were implemented at a value of \$1.75 billion creating 7,758 new jobs.

Now I can present you my little pyramid. So the question is; What role of Investment Fiji in regards to SMEs and its relevance to the various sectors including building buyer relationships in specific markets?

As part of our export strategy, we have developed a model. It looks at micro and small businesses, mix size non-exporting businesses, Pacific Island exporters, Australian and New Zealand exporters and global exporters.

We are developing two separate types and trends of support. We have ready support where they provide support in conjunction with other Government agencies so we do not actively provide it or coordinate it, so this might be MITT on their Micro and Small Business Schemes, the YES Scheme, that would be the Reserve Bank on their schemes that would be Fiji Development Bank, Ministry of Economy, all of those have their own little programmes and what we are doing at the moment, we are trying to decide who does actually what, when, how where, and how we can assist in the further coordination of some of those.

But this is not an area that we engage in. We start to engage once companies are mid-sized, they have export potential but they are not exporting. So, the ready support programme we develop export ready programmes. Their export ready programmes are basic one on one export, seminars and workshops; what this exporting is all about, what is an LC, trade finance, credit finance, what are the risks to exporting and what are the standards and so forth. And we intend to bring in international agencies and as well as domestic agency such as Biosecurity to talk about on some of those issues as well, so that companies understand what it actually means and the standard essential gains but they also understand potential hurdles and pitfalls.

Once a company then reaches an exporting medal, then we encourage them to first start to export within the Pacific Island countries, where the margins of errors are usually smaller, products of similar kind of quality and type and mistakes are not detrimental but can be rectified.

Once companies do that, they will learn to move on to Australia and New Zealand and the global markets. We are now looking at the grants training modules so we are talking to the European Union for instance at the moment and trying to get an international lean experts to come to Fiji to talk to the large entities here about proper lean manufacturing techniques in order to help them to overcome those because these resources are available in Fiji. At the same time, we are working with FNU in running this. So it is a bit like Train the Trainer Programmes, we want to bring this people in so we do not just want to bring them in and then let them fly out again or we also want FNU to develop the skills so that we can offer these programmes and we can continue basis throughout the years.

We are also working with American and various other friendly through the Australians and the Kiwis and I am trying to get certain individual in. So this is something that we are developing and we are working very closely with FNU on developing new courses, short courses as well as like corporate courses for entire organisations can go into as well. It is still in infancy, we signed the MOU very, very good discussions and we have got the International Entities and the National Education and that works well.

On the other side is about organisation approach. This is really about getting companies and assisting companies in their drive towards export and product of Fiji. The first stage is local support that is provided by others and then we have got the regional profiles and assistance.

Our Export team is collating and compiling information on Pacific Island countries and on our mutual partners which is Australia and New Zealand and as well as for our major training partners in terms of :

- What products work?
- What products can be imported?
- Where does Bio-security have an issue?
- What sort of habitat do we overcome?
- What are total no-noes?
- What are areas where you do not even need to think that it would be an opportunity to export something because there is no way you are going to actually get the import certificate from foreign agency?.

The idea it need us to look at niche opportunities where we can generate higher value for our exporters rather than looking at higher volumes. Fiji will never be a volume gain. It is always about the niche, it is about the coconut virgin, coconut oils and it is about the niche products and it is about using natural resources in a niche way for instance we have got rain tree which a material that is beautiful softwood that could be used for hire and furniture manufacturing.

My boardroom table, I ordered three months ago to showcase people what the material should looks like because it is being neglected here with the little bit of vanish on it is stunning, it is a better look in mahogany but is it softer. It is not a ready wear unit but it is one for hire. So what we were then need to do is get the hire manufactures to actually understand the global value chain and make Fiji part of the global value chains. We do not just export lumber, we manufacture the products here and a part of this national manufacturing process.

The next section towards the Global and International side is strategic assistance. We work together with our Trade Commissioners unfortunate we do not have that many globally. As Investment Fiji, we do not have any International officers. So we are little bit limited on how and what strategic assistance we can provide. We are working very closely with our office in Australia and now we have a new one in New Zealand and China as well as some of the group with Papua New Guinea, there are obviously some issue with Papua New Guinea at the moment in terms of as it was identified with one of the other questions. I think the Ministry is currently recruiting a new Trade Commissioner for the United States.

Nonetheless, Investment Fiji for instance is in the process of signing MOU with Dratra, our equivalent to Japan. They are much bigger but at the same time we will be able to work with them and they agreed to provide us with the information access to Japanese distributors because ultimately for a company for an exporter, all they really want to do is sell their products at the best possible price; that is all they really want to do. They do not care about anything else. So for us, the ultimate goal is to identify and assist this company in ensuring that they have got the necessary resources skills and ability to do so but they are aware of the pitfalls and we need to connect them to the relevant international markets that will then lead to hopefully a positive result in terms of exports.

HON. P. SINGH.- Chair, just a question. Investment Fiji does not have a lead role as far as the initiative, the SME initiative is concerned, you are only a facilitator at all levels that you have mentioned. Had you been in the policy making body, a part of the policy making, would you have then think differently? Debts that had been identified by you?

MR G.M. TEUT.- I believe that our role as Investment Fiji is to facilitate and to assist exporters in reaching their potential and in selling more products. I think that the micro space is not one that Investment Fiji is suitable for. We do not have the resources and we do not really operate on a domestic level to such a degree. Our efforts or our engagement, our benefit will really come in once the company has got potentially, the potential to export products.

HON. P. SINGH.- To realise that potential that has to grow from nothing to something, if your involvement at this infancy, up these businesses are there, if you are part of a policy making, you will be able to give a first-hand advice or information on how things are done differently.

MR G.M. TEUT.- If you look at our greatest imaginable challenge, it is to influence policy and this is what we are doing, so we are working with the relevant policy makers and we are providing our inputs to the policy that is being made at a day. As more that we understand because this is still in its infancy, the more we understand the more we are able to map where each of the exporter sits. What we are doing at the moment, we are looking at all exporters and we are trying to map them and work with these exporters in trying to set the companies whether they want to export, where they want to export to, how can we assist them. I do not believe that we will be doing much differently, we are just taking it as a blank canvas and we are building our support programmes to suit what we have identified where the current market needs are.

We are very excited about this, it is something that we really believe we will ultimately make a difference to the export foot print, especially through slightly more coordinated approach. This question relates to some degree back to the previous one. On both reports, you have highlighted your performance snapshot where you have indicated that the conversion rates of proposed implemented projects have significantly grown. Can you elaborate on this further?

Capturing of investment related data has gained significant strength due to our aftercare support services and our engagement model, for they actually go, meet customers, go out there, we performed over 1,400 site visits last year alone and really worked with these entities. Now what this has led to, it has also led to an increased reporting, what we see here is the intermediate projects that is for the 2014 to 2016 and on the right we have got the follow ups. This is when you are meeting someone with answers or I have actually implemented my project in 2014 but it was not captured in 2015. It is then retrospectively captured. What we are doing is, we are catching up and what we are noticing is that as we engage more and more with our clients and as we reach out to more and more people, we are actually able to have the relevant market data as of to-date rather than indicative figures which we had before. That is why the conversion rate has significant....

In fact, our conversion growth rate is now running at 43 percent.

MADAM CHAIRPERSON.- Could you define services, we see how you broke it down to agriculture, construction, education, fishing, manufacturing?

MR. G. M. TUET.- So services is anything from a restaurant to massage parlour to film and media, audio visual, massage parlours, restaurants, ICT is in that sector as well. And in the past, when we registered companies we did not draw down into the actual sectors, but it is registered to the top line, new system goes down to the fifth level so we are able to now really look at each individual detailed project, but of course as the problem is that it is going forward,

and when it comes to existing projects that we enter into the system, some of those we do not have the exact fiscals going down. But ultimately we will be able to draw down much deeper into the sectors going forward and provide life data as well.

So it is a milestone achievement for us is to actually have this information at hand and be really able to pick investment life cycles to see how long it took to actually for the project to come off. What were the impediments? What were the investments and re- investment values over the years? Where are the pits and flaws in terms of investment? When was the project really implemented? When does it become commercially trading? When does it start to earn export revenue? So those are some of the elements that we are very excited about.

Question 6: On the 2016 snapshot, are the 193 foreign investment projects part of a rollover from 2015?

The registration was only for the seven months in FY2016 from 1st January to 31st July. The total calendar year 2015 was 418 projects.

Question 7: Fiji has been known in the past as the land of samples, that is, proposed exporters take samples of their products to trade shows but after securing contracts they cannot fulfil export orders. What measures do you have to ensure that all these samples are produced and become viable products in the market?

Again, it relates down to our strategy by educating our exporters on what the impediments are, what the journeys entail? By working with them in identifying potential opportunities and looking at potential markets we are actually able to really pinpoint and say "this particular product, you can export to a particular country, and we do not let them run into with open eyes." We guide them, we assist them, we help them and we also participate in a number of trade shows. Now that we have a very active trade Commissioner in Australia who is also overseeing New Zealand market, we are actually able to look at some of our biggest export markets with domestic support and local attendance of these trade shows and events, which has already helped a number of companies to secure export orders. By linking that together with the various different Biosecurity areas we are actually able to do that as well.

So, it is really through engaging, collaborating and through really understanding what the requirements are that we are able to overcome this particular problem. In fact, we have removed all the samples from the Investment Fiji office for instance, what we have is electronic samples. And we are working on electronic catalogues, we are sending out to Embassies rather than gallons of coconut oil and things, because by the time that reach, they are spoilt and they look weird and they are not really attractive...

MADAM CHAIRPERSON.- Solidified.

MR. G. M. TUET.-Yes exactly. And of course the picture can be changed and can be uploaded, can be disseminated differently and again that is also working with our exporters, this is to also try to understand, try to get them to understand that there is more to life than print media that their biggest form of advertisement is actually social media and online tools. And then websites are essential, but they have to be of international standard. They cannot charge a premium product and have an inferior website for instance, it does not work.

Question 10 : On Page 48 of the 2016 Report, under 'Fiji- PNG Business Council', can you outline the strategies you employ with PNG given its situation with foreign currency? How do you motivate Fiji business to continue with PNG given the difficulty in obtaining payments?

There are two elements to this:

1. The Investment Fiji as the secretariat to the Fiji-PNG Business Council.

We provide administrative assistance including membership fee collections and we take minutes and notes. The question would need to be directed to the President of the Fiji-PNG Business Council. But from the Investment Fiji perspective not from the Fiji-PNG Business Council perspective, what we do is we encourage companies to look at a long term perspective with PNG. PNG has got the largest population base it is the largest consumer market in the Pacific by far. It has got long term potential "Yes" currently it has got a bit of a problem with currencies. But at the same time it also depends on a partner.

So for any exporting entity, it is essential that they choose the right partner because the right partner will have to means and sources to pay. FMF, for instance, is following that particular avenue at the moment. They are looking at new partnership structures within PNG and some of the other entities as well. If you have got a retail product, it is about getting it to the right retail channels and making sure that you distribute to the right distributor and that is where we help as well. We help to identify who the potential distributors are, who they can be and how we can work in terms of introductions, our trade commissioner who is based in PNG is able to assist.

As a Board Member of the PNG Business Council, some of the discussions we have at the moment is about broadening the PNG Business Council to potentially look at why the Melanesian look, given the MSG Trade Agreement that we have. So not just Fiji-PNG but also potential include Vanuatu and Solomon, given that there is an agreement enforce that it can be extended. But it is something that is internally discussed at the moment and at the same time it is my place to comment on the Business Council exception, as a member of the Business Council.

Foreign Investment Regulations been noted retail businesses are not part of the reserve activities. What are the control measures to avoid direct competition with locals by foreign investors?

The Ministry of Industry, Trade and Tourism is currently reviewing the Foreign Investment Act, part of this review in consultation with the World Bank and International Financial Corporation is the development of an Investment Policy. Investment Fiji has been part of this process for a number of years and a draft Investment Act was launched by the Honourable Minister in February (if I am not mistaken) that sets out the new Investment Act. The difference between the current Investment Act and the proposed Investment Act has not gone to Cabinet has not been approved yet, that it is a document of international standard that gives equal rights to an investors, foreigners and locals. It is a document that sets the legislation in terms of dispute settlements and it is not a Foreign Investment Act but an Investment Act. So it sets the regulation also for domestic dispute settlements and that is fine as well.

Also, it refers to the Investment Policy. The Investment Policy is going to be guiding documents that looks at what we now have as reserved restricted activities. Current discussions are if we look at the negative list which means that we are looking at an open playing field with a number of restricted areas. But at the same time, we also looking at reintroducing minimum investment criteria. The opening and the removal of the \$250,000 minimum investment criteria

in 2013 has led to a growth in the amount of investments and the investors in the country that it has not necessarily led to a quality improvement of investments.

Certain areas such as whole sale retail one of the ones that you have addressed have witnessed an exponential growth in numbers but a decline in investment value over the last three years. What we have, we have got a lot of investors that we do not really need to have in Fiji, because there are indeed competing with the local economy .

We do believe that or we do want to attract companies of international repute. We want to create competition in the market, because we want to uplift. Again, but we do not want to bring in someone with a screw driver in their back pockets. We wanted to bring in proper electrical and plumbing companies so that they uplift the whole industry. They create a new standard because we do need that. We have got a massive growth in the construction industry. We are not capable and are not able to actually cope with the demand at the moment. The standards need to be increased and improved. The only way to do that is to make sure that there is something of international standard that then becomes to norm which means everyone else, we need to lift up their game and that in the end results in a positive result for everyone.

Also, this is also part of the discussion on the future of Investment Fiji and if you look at challenge 2, it is the move of Investment Fiji becoming a true investment promotion agency. That effectively means that Investment Fiji will spend more time on trying to attract potential businesses and potential entities overseas targeted. We will no longer be providing support services to companies that do not qualify with our measures. We have not defined those yet, we are working on this together with the Ministry as I said we are not a policy agency. We are contributing to it but we are not the ones who make it. Ultimately, there will be some changes, it is our role and our duty to ensure that these are not going to be overnight but there is a slow transition and that every stakeholder involved understands why and what we are doing. Ultimately, this will lead to charging of quality investments. And as much I would like to talk more about it, I cannot go into detail unfortunately.

HON. V. NATH.- I hope that will be addressed in the draft policy, the ones you are saying.

MR G.M. TEUT.- We are working on a white paper, so we have contributed our opinions.

HON. P. SINGH.- Understandably.

MR G.M. TEUT.- But it is part of our greatest measurable challenge we are now invited to do so. This is a significant step forward for us and one that we are quite happy and pleased with. We have got regional offices in Labasa and Lautoka.

What sort of awareness programmes do you run to ensure people are aware of these offices locations and the service offered?

When I took the helm of Investment Fiji three and half years ago, I effectively closed those offices down or downsized them only to administrative levels and centralised all decision making powers into Suva. There was a constant decision that was made because we believe that decision-making should be based on the ability of all information not just some. At the same time, these offices have been slowly being ramped up again to provide marketing support services. When an investor comes in to one of the offices, they will be discussed whoever we

spoken to. The investment opportunities we discussed, but there will not be any processing, all will be done in Suva.

Our Regional Manager spends most of his life in Labasa, Lautoka, Ra travelling around and is engaging with a number of communities, resource owners, exporters, investors, Government agencies, the same with our team members in the Northern and Western Offices. We are very proud that we managed to reinvigorate the Northern Inter-Agency Committee which is now held every three months at our offices in Labasa.

We have forged a good relationship with Commissioner Northern on that. So one of the areas identified last year was that the Investment Fiji did not really have any connections or was not really part of the equation in the North particularly and this is now being addressed.

We have been working with a lot of different entities on trying to identify joint venture opportunities. But also we are working with various different land owners on educating them on investment opportunities, what the potential benefits are, what the potential threats are and to try to identify new opportunities. And it comes to the discussion we have had earlier on how do we engage with entities in trying to identify opportunities as one of them is through the meetings with local Landowners Associations and through the meetings with the Provincial Committees.

Question 13: Why does someone who has a Foreign Investment Certificate (FIRC) gets rejected from Immigration?

Investment Fiji is guided by the Foreign Investment Act and the Budget Amendment Act. This sets the regulation as to how we operate and what we do. We issue a FIRC but that does not mean that the investor does not require any other Government agency approvals. He cannot just operate with a FIRC. It basically means that the investors are able to then start the same process that a local would do when they would want to start a business. They have to get their SCC licences, if they want to do anything in medical they need to get Ministry of Health's approval, if they want to build a resort they need to get foreshore approvals and they need to go through a lot of different hurdles.

One of the other hurdles of course they need to go through is that they require Department of Immigration approval for their visas. The Department of Immigration is the border control agency of Fiji and tasked with the enforcement for the Immigration Citizenship Passport Act. So Investment Fiji is not the one that can issue a visa, it is Department of Immigration that issues the visa, based on their assessment of the individual.

What we do is, once the visa has been approved by the Department of Immigration and Investment Fiji performs what is known as a progress report prior to the renewal of the or lapse of the permit. So generally Immigration gives a one year permit and then a two year permits and then a three year concurrent permit. So after one year we perform a survey or perform a site visits in a year, and it is an ongoing concern, the company is operating it looks like it is doing what it is supposed to be doing with the idea that we are not the Government approval agencies, so we know that they conform with the Ministry of Health requirements, but that is what they are doing. Then the Department of Immigration typically grants the extension of the visa.

But obtaining a FIRC does not mean that the individual is able to obtain a residence visa. The same anywhere else. You go online and open up a business in New Zealand, you can do it in five minutes. It does not mean that you can go to New Zealand and run that business. You still have to comply with New Zealand Immigration requirements. Same in Australia, same in Singapore and same in the US. It is easy to open a business, it is easy to run a business as long as you do not do it yourself. You can open a business and employ someone. But if you want to do it yourself as an individual. If you want to move to a country as an individual, you need to have the Department of Immigration checks and confirmation.

It is frustrating and we have a large number of investors who have been declined their permits, who are very frustrated about this, but from Investment Fiji perspective there is not much we can do. As part of the new Investment Policy, we also are writing something in regards to visas as well. But again it is not up to us, it is a policy related issue to the Department of Immigration will need to address themselves.

HON. P. SINGH.- So in a single window clearance is the Department of Immigration part of...

MR. G.M. TEUT.- No, it is not part of it. So the single window clearance system is Reserve Bank of Fiji or FRCS, it is the Registrar of Companies and Investment Fiji and the Ministry of Economy if you look at the payment portal. There was a plan of including and if you look at the National Development Plan, there are plans on extending the agencies to include Immigration to also include Lands, to include the Councils and the Registrar of Titles. There is a number of additional entities that would need to be included. Going forward a systems needs to be put in place that is transparent and open but that is again down to the Department of Immigration to decide. We have got our views on this but these are our views.

What we are doing is we are looking at International comparisons. So we are looking at what is happening in Australia, what is happening in New Zealand, what is happening in Mauritius, what is happening in Singapore, what is happening in Malaysia. How do Government's control and monitor investments in terms of minimum requirements, restrictive activities and the relevant visa requirements for as well for investment perspective. Just bear in mind very large investments and entities do not require visas. If Google opens up the owner of the Google does not move to Fiji. There will be an employee of Google who will be managing it. So different entities required different levels of information. I hope that does address your question.

The last section relates to audit related questions. Now, first and foremost I am very pleased that for three years in a row we do not have a single comment on our Audit Reports from the Office of the Auditor-General. As always as part of my drive towards governance is one of the key things is to make sure that we got our financials right.

With reference to the Assets on Page 40 of 2016 Report. The figure for receivables in 2015 was \$32,000 for the seven months period January to July the figure was \$292,069. Can you please elaborate on "other receivables".

It was July 2016 Operating Grant Accrual which has not been paid to that particular moment in time. A Motor Vehicle Accident Claim we had a motor vehicle write-off. VAT Refunds from FRCS, Prepayments for Licenses and Insurance and other refundable deposit so as FEA Bond and rentals. That is why the total receivable \$292,069 was in a previous year we did not have any granted accrual between Motor Vehicle Claim and we do not have VAT Refunds.

The July 2016 Operating Grant, the Motor Vehicle Claims (the accident write-off) we received around December 2017 respectively. However, the VAT Refund on 2016 Operating Grants was received in January 2018 and a monthly reversal was passed on prepayments.

The next question concerns the Exporter of the Year Awards. So the Exporter of the Year Awards been rebranded to the Prime Minister's International Business Awards. Its initiative by the Fijian Government to reward businesses and exporters who are positively contributing to the economy at an international level.

The event is hosted annually and managed by Investment Fiji on behalf of the Fijian Government and it is fully funded through sponsorship funds and ticket sales. In fact it has been for the budget perspective for a very long time because it absorbs a lot of my manpower, time and energy and I do not get a single budget petty for it. So it is always been ...

(Laughter)

But we love doing it, it is exciting to do it but at the same time it is estranges as well.

Investment Fiji forms an International Business Award (IBA) Committee for the year. The Committee is responsible for the entire preparation that covers to pre-event the launch, the main and post-event or the media and communications. Each Committee member are given specific tasks in relations to successful execution of the awards.

We approach corporate entities for sponsorship each year for each of the awards and whilst they are on board, the company signs a contract that is vetted by the Solicitor General's office, and once they sign the contract, they pay Investment Fiji the agreed sponsorship amount. The funds are then deposited in a separate bank account specifically open for the IBEA. It is a complete transparent separate process. All expenses incurred are verified and accounted for and the Office of the Auditor-General vets and audits this account separately.

If you look at the 2016/2017 report, you will notice, which you do not have but you will soon have, you will actually notice there a couple of number discrepancies, bank balance at the end because the awards are launched in one year full financial year and held another financial year. There is more accounting going on, all of these are always audited separately by the Office of the Auditor General.

On page 50, note 13, FRCA registration fees, there is substantial increase in 2016 over 1514; 2014 was 355; 2015 was 275; 2016 was 522. Investment Fiji is fully grant funded and all FRCA registration fees that are collected are paid to the Ministry of Economy and not kept by Investment Fiji. This payment cycle is every 4 to 6 months, so basically what you have is you have got accruals. You basically have payments that are outstanding to be paid to the Ministry of Economy at the end of a particular financial year.

The agreement with the Ministry of Economy is that we pay them back. It does not have a specific date but because we are grant funded, I do like to have buffers on. That is why I usually keep about 6 months before I make the payment so that there is indeed a contingency fund in case you have seen before in 2016, there was a delay in the grant payment. If that would effect without any kind of contingency, we would not have been able to pay our wages as we are fully grant funded. We cannot use the invest in international business awards money to funds Investment Fiji operating expenses. That brings my presentation to an end.

MADAM CHAIRPERSON.- Thank you very much. Members do we have any questions or are we fully loaded?

MR G.M. TEUT.- I am more than happy to give in more details.

MADAM CHAIRPERSON.- Honourable Prem Singh, did you have any question or are you quite happy with that very comprehensive presentation?

MR G.M. TEUT.- If you do have any follow up questions, please address it to us. I am more than happy to provide you with updates whenever required.

MADAM CHAIRPERSON.- Could you email us a breakdown of what the FRCS, what they get after they complete and receive their FIRC Certificate? You mentioned that they have cleared through FIRCA, they have cleared through everything but Immigration?

MR G.M. TEUT.- Yes we issue the FRCS one set of the document and the companies need to obtain the TIN Number from FRCS and they also need to obtain the insurance of share certificate from the Reserve Bank and the business registration with the

They need to do that; those are the key documents they require. After that, they also need their local business licences so at that point, they are pretty much treated like a local entity as a business. They still need to get their SCC licenses, everything else, compliance for health and safety or whatever it is to operate a business. We have got an online single window clearance system that allows investors to register online and do those four particular steps with one singular application. Of course, they can also go independently but is what people tend to do. They can go independently to Investment Fiji, to Reserve Bank, to FRCS and to the Registrar of Companies.

MADAM CHAIRPERSON.- Okay, no questions, we have more than enough. Thank you very much Investment Fiji. We are planning to submit our report in the May sitting and there will be a copy of it online. Out of interest, do you guys receive copies of Committee Reports on your Annual Reports?

MR G.M. TEUT.- No.

MADAM CHAIRPERSON.- Okay. We will make sure you get one. Like I said, it will be available online, as soon as we have presented. Thank you very much.

The Committee Interview adjourned at 1.06 p.m.