

[VERBATIM REPORT]

STANDING COMMITTEE ON JUSTICE, LAW AND HUMAN RIGHTS PUBLIC HEARING

BILL

Investment Fiji Bill 2022 (Bill No. 05/2021)

SUBMITTEE: Mr. Chandra Lodhia.
**VENUE: Nadi Town Council Conference
Room, Nadi.**
DATE: Saturday, 26th February, 2022.

VERBATIM REPORT OF THE PUBLIC HEARING OF THE STANDING COMMITTEE ON JUSTICE, LAW AND HUMAN RIGHTS HELD AT THE NADI TOWN COUNCIL CONFERENCE ROOM, NADI, ON SATURDAY, 26TH FEBRUARY, 2022, AT 11.08 A.M.

Present

1. Hon. A.A. Maharaj - Chairman
2. Hon. R.R. Sharma - Deputy Chairperson
3. Hon. Dr. S.R. Govind - Government Member
4. Hon. Ratu S. Matanitobua - Opposition Member

Apology

Hon. M.D. Bulitavu - Opposition Member

Ministry of Education, Heritage and Arts

1. Mr. Collin Sowani Yabaki - Director, Heritage and Arts
2. Mr. Veniki Nalio - Senior Policy and Convention Officer

**Interviewee/Submittee: Mr. Chandra Lodhia
Nadi Businessman**

MR. CHAIRMAN.- Good morning, Mr. Chandra Lodhia. On behalf of the Standing Committee on Justice, Law and Human Rights, we would like to welcome you this morning and availing yourself to give your submission with regards to the Bills that we are trying to bring out to the public so that they can give their input. Before us today, we have two Bills; the Heritage Bill 2021, Bill No. 3 of 2021; and the Investment Fiji Bill 2022, Bill No. 5 of 2022.

We have been going out in order to domesticate the 1972 Convention that Fiji was signatory to. Basically, Fiji signed and became a party to the Convention on 21st November, 1990. Once we domesticate the Heritage Bill 2021, pass it and make it an Act, then we can see the better management of our heritage sites, those that are listed, those that are tentative and those that are potential heritage sites.

There are nine Parts to the Bill:

- Part 1 - Objectives;
- Part 2 - Fiji Heritage Council;
- Part 3 - Accounts and Finances;
- Part 4 - The Fiji Register which is the establishment of a register where all these listings are going to go);
- Part 5 - Management of Potential World Heritage Place;
- Part 6 - World Heritage Listing;
- Part 7 - Funds for Fiji's Heritage;
- Part 8 - Buffer Zone; and
- Part 9 - Miscellaneous, which is about regulations and guidelines.

The second Bill is the Investment Fiji Bill 2022, Bill No. 5 of 2022. You might be aware that in June 2021, the Parliament of the Republic of Fiji passed the Investment Act. So, we need a strong

Secretariat or office to look after that Act, implement Clauses that are part of the Act and to see that the objective of that Act is achieved.

We need to modify the Office of Investment Fiji because the Act is quite old and I think it was backdated 1 to 1980. We have come up with the new Investment Fiji Bill and there are four Parts to the Bill:

Part 1 – Objectives and Interpretation;

Part 2 – Investment Fiji (the Office of the Investment Fiji, the mandate, the functions, the Board, the meetings of the Board, functions of the Board, CEO, Subcommittee);

Part 3 - Accounts and Finance; and

Part 4 – Miscellaneous (regulations, directions by the Minister, et cetera)

The objectives of this Act are to set out the mandate and functions of the Investment Fiji for the implementation of investment and export promotion strategies in close collaboration with the Ministry, which are aimed at increasing domestic and foreign investment in Fiji and increasing exports for Fiji's development.

We will talk about Investment Fiji. Mostly, the focus was on the foreign investors but now, the mandate is changing. They need to ensure that they focus on the domestic investors, as they are doing with the foreign investors.

With regards to Investment Fiji, one of the functions is to promote and assist foreign investors to collaborate with domestic businesses by setting up an effective investor linkage programme. What we would like to see with this particular Bill when it becomes an Act is for the Bill to try and work with both foreign and local investors in getting them some kind of collaboration and partnership so that we can have joint investments done in Fiji. So, in a nutshell, that is what this Bill is all about.

We now open the floor, if you have any queries, or comments that you would like to make in regards to the two Bills that are before us and you are always welcome, Sir.

MR. C. LODHIA. Thank you, Mr. Chairman. My name is Chandra Lodhia and I am a businessman based in Nadi. I had a brief look at the Bill in front of us. Well, regulations are yet to be made and I guess that will be done later on but the objectives of the Bill are quite clear and explicit on what it is supposed to do.

We have been talking about this investment climate in Fiji for a long time. I also note what Mr. Chairman has stated that it is not only foreign investors but also local investors, and the collaboration with foreign investors is of equal importance.

Investment is a very, very important area for the development of Fiji. Investment basically means, doing any economic activity now, for the returns in the future and that creates employment. For that, I think, Mr. Chairman and honourable Members of the Committee that the climate for investment is a robust climate to attract, and I would firstly state about the foreign investors.

Any foreign investor who wants to invest in Fiji, who has no knowledge about Fiji (absolutely nothing), what are the incentives, what is the economic and political climate we are working in? Importantly, when you are dealing with foreign investments, an investor will look for all possible countries where they can invest in. They will look at the political stability, they will look at the legal framework and they will look at the support that they will get from the people. I guess to that end, it is very important for this particular Board to work with other agencies within Government.

Mr. Chairman, this is what foreign investors want, for example, rule of law, enforcement of contracts and all that they are very important checklist for any investor who may wish to invest in Fiji. The tax regimes must be clear and not be, sort of, change. Today, you have it, then later on you do not have it, and that puts investors off.

Fiji is a developing country, it needs Foreign Direct Investment (FDI) to support the investment and the development of the country. There are important aspects and they must be allowed. The laws must be very clearly laid out, you cannot go any encroach into other people's property, property rights must be respected, those sorts of things must be laid out to them, enforcement should be very clearly defined and they should not be made through connections.

Mr. Chairman, I will be very honest and frank, Fiji has got the reputation of who are well connected. I travel quite a lot and I talk to investors. There was a recent case where someone was trying to sell substantial tourism development. I was talking to those people who were basically floating investors. They have got no loyalty to one country and they said "Alright, Fiji is okay, no we do not want to touch it." I asked, "Why?" "We do not know, today this is the law and tomorrow the law changes. It is just like that." I said, "look, we do not want to change, today we invest money and may we want to take it away, after few years, we sell it off to someone else, today we allowed and tomorrow we may not be allowed." So, there are too many risks for us. We go to a country where the framework is quite clear and well defined and they do not change ...

Well, there might be legitimate reasons for change, domestic reasons, but that does not appeal to foreign investors. So, Mr. Chairman, the comment you made about the local investors is fine, but I think we, as a country, must also actively seek out genuine *bonafide* foreign investors and to my memory, I do not think Fiji has had a decent investment in this country, substantial *bonafide* investments.

The other point I want to make is, there are a lot of our former citizens, former residents who had migrated, they have done well – the so-called baby boomers. Their children are well settled, they have got surplus money, they want to come back here and bring back their savings and invest in Fiji because they feel Fiji is their homeland. They are very comfortable with the social environment and have connections with the people here. They are already important source of investors in the country. They should be explored and they should be welcomed.

One of the other things that stops them, they have achieved a certain age level, - the so-called retirees, who put in money, employ people and healthcare is a kind of thing that worries them. If anything happens, what would they do, where would they go? I think the Investment Fiji Bill should also liaise with the Health Department and say, "Listen, we are going to have a look, I am sure the Government is working very hard towards this." But then again, if we are looking at foreign investors, there are a lot of people out there who want to come back – the retirees, put in money, develop properties, develop businesses they have accumulated, doing things better and healthcare is something that is worrying them all the time.

Mr. Chairman, if Investment Fiji should look at the objectives of the Bill (I am not saying they must be periodically right), unless they are implemented to achieve the right objectives or there will be just a piece of paper, sorry to say that but this is going to happen. We have seen many Investment Fiji bodies come up and to some extent, we have not succeeded in attracting genuine investors into the country. Thank you.

MR. CHAIRMAN.- Thank you for those comments with regards to the Bill itself. Yes, I totally agree with the fact that once this Bill becomes an Act, there is a lot to be done as far as the

Bill is concerned. Definitely, we need foreign investors to come into Fiji, and that is one of the major concerns, for the development of the country.

With regards to healthcare, yes, the Government of the day is trying to do its utmost through the PPP approach for Lautoka and Ba Hospitals, so that we can start getting some treatments that are not available in Fiji that will definitely attract the group of investors that we are talking about. If anything happens in Fiji. They do have a health facility in Fiji to cater for their needs.

Thank you once again, thank you very much for your views and comments with regards to the Bill.

The Committee adjourned at 11.24 a.m.