

[VERBATIM REPORT]

STANDING COMMITTEE ON JUSTICE, LAW AND HUMAN RIGHTS PUBLIC HEARING

BILL

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

**SUBMITTEE: District Youth Representatives and
Labasa Chamber of Commerce.**

**VENUE: Ministry of Youth & Sports
Conference Room, Level 2, Ro
Qomate House, Labasa.**

DATE: Thursday, 17th February, 2022.

**VERBATIM REPORT OF THE PUBLIC HEARING OF THE STANDING COMMITTEE
ON JUSTICE, LAW AND HUMAN RIGHTS HELD AT THE YOUTH AND SPORTS
CONFERENCE ROOM, LEVEL 2, RO QOMATE HOUSE, LABASA, ON THURSDAY, 17TH
FEBRUARY, 2022, AT 10.19 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 |
| 5. | 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: District Youth Representatives and Labasa Chamber of Commerce

In Attendance:

1. Ms. Sharneet Kaur
 2. Mr. Rasnil Chand
 3. Mr. Satish Chand
 4. Ms. Dilaisa T Kulati
 5. Ms. Akanisi Wati
 6. Mr. Rajeshwan Pillay
 7. Mr. Asish
 8. Mr. Romal Ashwin
 9. Mr. Navishekh Kumar
 10. Ms. Jotika Prasad
 11. Ms. Anjana Devi Lal
 12. Ms. Sakuntala Wati
 13. Mr. Livai Vakatikati
 14. Mr. Altaf Ali
 15. Mr. Elia Nakoro
 16. Mr. Vinay B Deo
 17. Mr. Richard Du
 18. Mr. Ravin
 19. Mr. Satish Kumar
 20. Mr. Rudan Rupan
 21. Mr. Sumut Gohil
 22. Mr. Balia Bhand
 23. Mr. Kamlesh
 24. Mr. Mahendra Prasad
 25. Mr. Mohammed Shanil
 26. Mr. Harak Narayan
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MR. CHAIRMAN.- Good morning everyone. I shall now call the meeting to order. Before we proceed any further, I would like to request honourable Bulitavu to lead us with a word of prayer this morning.

(Prayer – Hon. M.D. Bulitavu)

MR. CHAIRMAN.- Thank you, honourable Bulitavu.

On behalf of the Standing Committee on Justice, Law and Human Rights, I would like to welcome each and every one of you who are present here this morning. Thank you very much for accepting our invitation in such a short notice.

A special thanks goes to Mr. Satish Kumar for organising the ratepayers and members of the Labasa Chamber of Commerce, who are also present here this morning to discuss the Investment Fiji Bill, which is a very important Bill.

Also at this point in time, I would like to take this opportunity to thank Mr. Shanil, the Coordinator of Labasa District Youth Council, for organising the Youth Presidents who are representing their youth clubs. I believe this is a very good mix of people. We have potential investors who are here to talk about the Investment Fiji Bill 2022 and we have potential future investors as well, who can share some of the prospects with regards to investment and investment in Fiji. Thank you very much.

Just by way of background, the Committee came to the Northern Division on Sunday. We have been moving around collecting submissions. As you might be aware, there are two Bills before the Committee- the Heritage Bill 2021, Bill No. 5 of 2021; and the Investment Fiji Bill 2022, Bill No. 3 of 2022.

In June 2021, Parliament passed an Act which was known as the Investment Act, but in order to implement that Act we need an office. Investment Fiji is going to be the Secretariat which is going to promote Fiji in overseas as an investment site. Along with the local investors, they are going to work hand in hand to ensure that we provide a conducive environment and an ease of doing business in Fiji.

Currently, there were laws that were passed back in the 1980s. As we know, time has changed, practice has changed, formalities has changed but the law remains the same. So, the Fijian Government came up with the thought that we need to come up with the new Investment Act, which is now the new Investment Fiji Bill 2022.

Investment Fiji is basically like Tourism Fiji, they promote investment in Fiji and Tourism Fiji promotes tourism. Fiji is a tourist destination for our nearby countries and other countries as well which have potential to send tourists to Fiji, countries like India, China, Canada, et cetera.

We have been going around visiting potential heritage sites here in the Northern Division. We were at the Nagigi Naag Mandir and as everyone is aware that it is an historic site, a lot of history attached to it. People all over the world come and visit the Naag Mandir as a tourist destination or they come to do their prayer session there.

The other place that we visited yesterday was the Floating Island. Again, very much a potential heritage site and to be listed under UNESCO. So all in all, what we have seen during this public consultation is that the Heritage Bill 2021 and the Investment Fiji Bill 2022 is going hand in

hand. For example, yesterday we were requested if Floating Island could be promoted as a tourist destination but for that to happen, we need to ensure that we have the correct number of beds and facilities to accommodate tourists up in the North, which is available at the moment. So with regards to that, we have an office. For example, to coordinate and promote Macuata to potential investors. Also, to ensure if there is collaboration between the investors as well as our locals here. For example, the *mataqali* who owns the piece of land where Floating Island sits is very much interested. If she can get in touch with the potential investor who can invest to develop, at least, a three star or four star hotel.

Similar sentiments were raised with regards to the Korovatu Beach. That is the only beach that is available in Macuata that can be converted into a resort or a hotel, so we need good investors coming in and utilise this kind of places and ensure that the economy in the North improves. So we thought it is very important for us to meet with ratepayers in Labasa, the Chamber of Commerce and the business community, to see how best we can set up this office and achieve some of the major objectives that are within the Bill itself. I will briefly explain the Investment Fiji Bill 2022.

In June 2021, the Investment Act 2021 was the outcome of the review of the Foreign Investment Act 1999, which was enacted by the Parliament of the Republic of Fiji. The Investment Act itself repealed the Foreign Investment Act 1999. Secondly, it established legal, social and economic principles for the development of investment activities in Fiji, define the right duties and responsibilities of domestic and foreign investors, provide equity for investors with transparent, reliable, efficient and fair rules of procedures within the framework of the International Treaties and Agreement which Fiji is party to, remove the issuance of Foreign Investment Registration Certificate by Investment Fiji and removes the power of the Investment Fiji to conduct investigations and inspections necessary for the purpose of regulating foreign investors. So given the removal of Investment Fiji's function to issue FRCS Certificate and its power to conduct investigation and inspection a review of the Investment Fiji Act 1980 was conducted to realign the functions of Investment Fiji in order to complement the changes brought about by the Investment Act.

As I have stated earlier, we have come up with a new Investment Act which is trying to provide a new conducive environment and ease of doing business in Fiji so that investment can be promoted not just in the North but all around Fiji and that is very important. So we need to realign our Investment Fiji Act as well.

Before us are two Bills. We will do this in two phases. First, we are going to discuss the Investment Fiji Bill 2022 and then after that, we are going to discuss the Heritage Bill 2021, unless you want me to discuss the two Bills together. It is entirely to the general public how you would like us proceed. But basically, that is the gist of the Investment Fiji Bill 2022 that is before us.

I would now like to open the floor so that we can have some discussions and if you have any ideas or opinions that you want to put before the Committee, you can do so. However, before we go into that, just a reminder that this is a Parliamentary Committee meeting so everything that you say is recorded. Please, be informed that we will not condone any kind of slander or swearing or anything that is not appropriate under the Parliamentary Privileges Act but you are protected under the Parliamentary Privileges Act. This will be telecasted in our *Walesi* platform as well and everything is recorded for the information of all those who are here this morning. If you are speaking, please, introduce yourself because people are watching and they would like to know who they are watching live. Thank you.

MR. S. KUMAR.- My name is Satish Kumar. I am a businessman in Labasa and Suva too. I am the President of the Labasa Chamber of Commerce. Today, most of the business community and big investors are with me as well as the ratepayers.

Mr. Chairman and honourable Members of the Committee, Youth Presidents, my Executive Members and the business community in the Northern Division, I welcome and thank you, Sir, that you have invited us to this forum. We wanted to know more about the Investment Fiji Bill 2022, what the changes are and what this Bill is about.

I am very concerned about our local investors, Sir, that I must remind you that Labasa is generating their own income in a way. Our local people are investing in the Northern Division. They have invested millions of dollars, such as the Pintos Industries, Parmod Industries, Gold Hold Sea Food Ltd. and many others.

We are very much concerned about our local investors, at least, it is the job of the Chairman and the Government to look after our local investors and to see their needs. So that is what I want to say today, Sir, and our members are here they will also say things on the Bill. Thank you, Sir.

MR. CHAIRMAN.- Thank you, Sir, for that initial introduction from your side regarding members who are present here. As you have stated, this Bill is very small. Basically, we are trying to set up the office which is going to see whatever this Bill when it becomes an Act, requires to be done. So this is basically going to be a corporate body that is going to be formulated.

There are four parts of the Bill, as follows.

Part 1 - Preliminary

This Part is basically states the interpretation and objectives of the Bill. If we read the objective and as rightfully stated by you, it is to set out the mandate and functions of Investment Fiji for the implementation of investment and export promotion strategies in close collaboration with the Ministry, which is aimed at increasing domestic and foreign investment in Fiji and increasing export for Fiji's development.

Previously, you might be aware that there was a lot of consideration given to foreign investors but now, one thing we have realised is the amount of importance given to the foreign investors which should be given to the local investors as well because for us, investment is important. For any economy to grow, investment is important. But we, as a Government, need to provide that conducive environment, whether it is a foreign investor or a local investor, to ensure that they do not go through the hurdles that they went through. For example, if someone wants to set up a business, there should be a body corporate, such as Investment Fiji, to facilitate the process.

Now, Investment Fiji will not help out with the investments in taking the loans and those kind of things. What we have seen in the past is, a lot of investors coming from overseas try to lobby, for example, with the landowning units. If the value of a particular land is \$2 million or \$3 million, they tried to provide something underneath the table, for example, \$100,000 or \$200,000 cash and they tried to acquire that piece of land and our landowning units are not getting what they are supposed to get. Those are some of the things that the new Investment Fiji is going to look into. The other thing that we have seen previously was, most of the foreign investors will call us up that there are potential investors.

After discussing, for example, a \$50 million project in Fiji, then they will go and ask us, as Government Ministers, and people in authority the amount of grant that Government can give them in order to carry out that kind of investment. So those are the people who you would want to say to them that those kinds of investment is not done in Fiji.

If you are going to invest, you need to invest your own money and if you are a foreign investor, you need to bring money into Fiji. It is not that you come here and then take a loan from here in order to invest in the country. So we are trying to tighten that up - how the investment strategies are going to be done so that our local investors are not disadvantaged. That is why we are coming up with a modernised body corporate to look into that.

As I have said, our previous law was in 1980 and during that time, the business environment was different, the way of doing business was different, investment was not that much compared to what we have done at the moment in Fiji. That is why it is very important to have these laws and legislations in place, to ensure that bogus companies who recognised themselves as investors do not get a chance of directly manipulating our nationals and try to gain benefit out of it. Foreign investors need to come through Investment Fiji, if they want to invest.

As I was saying, there are potential sites where people can come and invest. So, Investment Fiji can promote those sites as well. Examples I gave this morning was Korovatu Beach, Naag Mandir, Floating Island and we are also going to visit the place where Tagimoucia Flowers are grown. So investors need to come and invest in these kind of places so that we can bring in tourists. That is basically the gist of it.

Part 2 – Investment Fiji

This Part states how Investment Fiji is going to be formulated, the mandate and functions of Investment Fiji, the Board that is going to govern Investment Fiji, its direction and meetings of the Board, functioning of the Board, how the CEO is going to be appointed, the KPIs and some of the responsibilities of the CEO, the Sub-Committees, the staff of Investment Fiji and limitation of liabilities as well. That is basically with regards to Investment.

Part 3 – Accounts and Finances

This Part states the funding and financial reporting, the audit of the accounts and the annual report, how people need to be transparent and accountable, and they are supposed to report back to Parliament which is also very important.

Part 4 – Miscellaneous

The Minister is going to determine the direction on which Investment Fiji is going to take. For example, he/she might say to Investment Fiji, “you need to focus more to the North Division for investment.” So these are type of directions that are going to be given by the Minister to the Board and the Board is going to realign their priorities in such areas that is also very important.

We also need tax free zones as well. For example, Government may actually decide that tomorrow, we are going to provide a tax free zone for pharmaceutical industries because there are none of that in Fiji. So those are some of the things that the Bill is going to ensure that things are in line. It is not that the Government policy is saying something and Investment Fiji is doing something else. So that is captured in this Bill itself - how the regulations are going to be formulated.

The old Act of 1980 is going to be repealed, which is also part of the miscellaneous. The transitional period of those investors who are dealing with Investment Fiji at the moment. When a new corporate body is formed, there should be a transitional period for them to switch from one corporate body to the other, and all these things would be there as well.

The last bit is the consequential amendments. The amendments that are going to take place in other Bill, we are bringing this up in this new Bill. So in a nutshell, this is what Investment Fiji Bill is all about. I hope that gives you some fair idea of what we are discussing this morning.

MR. S. KUMAR.- Thank you, Sir. That is very clear to us and it is good to hear that the Government is focussing on our local investors. I totally agree with you that when foreign investors come to Fiji, they borrow our money and they leave. They take all our money from Fiji. If the same incentive is given to our local investors, money will remain here, we will create more jobs, our country will grow and we have a better economy. Thank you, Sir.

MR. H. NARAYAN.- Thank you very much. I think it has been a long time since we have met.

Sir, there should be protection in this Bill, to protect local manufacturers and this is not only for me as I am a manufacturer, but for the other manufacturers. With my product, I am secured with 32 percent, plus 15 percent (32 percent is duty and 15 percent excise duty). That is the protection of all local products recently manufactured locally when you try to import goods into Fiji. There should be some type of incentive for local manufacturers in the Investment Fiji Bill 2022.

My main focus is to create employment and it is not only investment but we need numbers too to grow in Labasa. It is not only when people come in with their story but no money is coming in. The major importance is *nukri*, Mr. Chairman, because we can see there is only a handful of people.

There is only a few manufacturers left in Labasa, who create employment. In FSC, it is seasonal. Last year, there was cyclone and blah, blah and it worked only for three months or four months. Please, we need this Bill, to have protection on local investors who are sitting right here. We are doing more than investment, we totally pour all our money here, taking loan and all the stress that we are going through.

Another issue I would like to raise is that, it is very good to have this forum so that the Bill can be discussed. A small question we wanted to raise is, the EIA in faulty. In the Act, it did not say that the native timbers need an EIA but in January this year, we found that it has been implemented and there is a fine. We are not saying that it is bad, it is good for our environment because I want my future generation to be secured.

We also support the Government in everything, like plastic bag was banned, styrofoam was banned, we went into paper plates and all takeaway containers, but we always support. What has happened is, with the overnight legislation that came in on pine, about 48 of staff are staying home, I think Waiqele Sawmill closed and all were closed. Why did we not have this type of forum one or two years ago and be given explanation on what we, saw-millers, can do whether it is planting, replanting or whatever.

However, it came overnight in January. When we applied for licences, it was like a bomb that blasted. We cannot get how to operate our investment. A lot of workers are sitting at home at the moment. Everything closed. All mills closed, even the Waiqele Sawmill closed down.

When there is a Bill or legislation coming in, there should be a forum like this for discussion. We are ready to do our own nursery and give the landowners the plants and we can fund them by charging \$1 per plant to replant. I think there is a better way, Sir, to have this type of forum - get our ideas and help everyone. The economy can only grow if we work together. Thank you, Sir.

MR. CHAIRMAN.- Thank you very much, Sir, for your input. What we are doing at this point in time is trying to set up the platform. With investors there are two are kinds of consultation that can take place, first is, once this Bill becomes an Act, Investment Fiji's mandate is to go and talk to the investors. They are supposed to talk to the investors and on their behalf, they can talk to the Government of the day. The Government's responsibility is to set a platform which provides for a conducive environment for the investors, and that is very important. Government cannot go and micromanage, and that is why we are trying to set up this corporate body.

Secondly, what we are saying about public consultation is through the budget itself because most of the decisions that are taken is with regards to which industry that is supposed to be safeguarded. It is very important to ensure that we are safeguarding, for example, a particular manufacturer.

There were certain decisions that were made previously, like two or three decades ago, which is currently affecting us. Some of the tax free zones that were provided has been provided for life. If we are providing tax holiday, for example, if you look at the current Government, we actually put a cap to it, there is a seven year or 12 year cap. After seven years, there needs to be a review and if necessary, then only the tax holiday continues. There were certain companies that received a blanket tax holiday, so those are things that are not helping the economy to grow and for whatever reason it was done, was done. So, from now onwards if we are moving forward, we need to ensure which industry needs to be protected and where it is supposed to be protected.

If you are protecting a particular industry, it is very important to see the number of usage and the price that they are getting. We cannot protect the industry if we have a huge price difference. For example, you might have known that recently, we have decreased duty on paper to 5 percent or I stand to be corrected on actual amount, but we have reduced it. Why? Because they were local manufacturers, at the same time we are trying to give free education and we need to make education affordable as well. So if you are getting papers which is produced in mass from China, it comes to a much cheaper price compared to what was available in Fiji. We cannot match the number of production that happens in China to Fiji.

Investment Fiji is required to look for the export market as well. That is also a mandate of Investment Fiji, not just for local use but for international use as well because export is very important. So, what particular industry are we going to protect?

The Government of the day sees that if something is coming from outside, what is its cost to the consumers? For example, if a book coming from China will cost 20 cents to the consumer and we have a local manufacturer selling at \$2.00, then we definitely need to look at the general populous of the country. How is the population benefiting? Those are some of the decisions which need to be taken every year.

We might give a chance to that particular manufacturer and say, "Alright, if you can bring your cost down, we will ask Investment Fiji to try and increase the export so that the cost can come down." That is the new way of doing business and those are some of the things that we are trying to facilitate in terms of investment.

One of the functions of Investment Fiji is to promote and assist foreign investors to collaborate with domestic businesses by setting up an effective investor linkage programme. That is very important. What we do at the moment, we do not do contract manufacturing in Fiji for a particular company which has a bigger market, for example, in Asia. This kind of collaboration is very important, not just targeting the local market but targeting the bigger market with an investor that is already available to collaborate with the local investor in Fiji. At the end of the day the Government would look at the benefits to the total population. So, that is some of the hard decisions that need to be taken time and again as to which industry we are protecting, why are we protecting the industry, et cetera. I hope that clarifies, Sir.

If a new manufacturing company sets up in Bua, then it is the Government's responsibility to protect that particular industry because that is increasing the economy. But if there are 10 or 20 manufactures of that same product in Suva and it is not available anywhere in the market, whether that needs to be protected or not is another question, but that is done on a case by case basis whenever a budget is announced. There are a lot of processes that needs to be followed before Government comes up with this kind of announcement.

MR. K. PRASAD.- Thank you, Mr. Chairman and honourable Members of the Committee for coming over to the North and giving us this opportunity to speak on something that we were not aware of. Before I go into detail, I would like to introduce myself. I am Kamlesh Prasad. I am the Secretary of the Ratepayers and Citizens Association of Labasa. I am not here in my capacity as Secretary to the Association, but I am here as an individual ratepayer and a businessman.

I do understand the concept and how this Bill is made into a law and how it is being processed. The main important factor which I see here is the intention of the Government to protect local investors. Having said that, I know Labasa has got an independent economy, basically we do not rely on our national economy to survive. We have got our sugar, we have timber, we have our processing plant, we have our industries and they are all working. These are not so big, I mean to say that apart from sugar and timber, it is not at all very huge. This is the reason why Labasa is lagging behind.

I will now touch on the basis which I have observed in the last 40 years of my stay in Labasa. What has actually happened over the years is that, small time investors come in with their own brain, own investment, own factories and there has been no help from any angle or any government or any individual outside. I do understand why the local investors should be protected because they are here to stay, whereas foreign investors are here to make money and there is an English term, the 'fly by night traders'. They come here, they make money and they go away.

Any Government for that matter should be proactive and should take action to protect the local investors. The people who put their money into the economy and try to turn the wheel of the economy - the private sector, is the only sector which helps in doing so. The public sector does not invest and they do not make money of this sort. It is the private sector that should have been protected. In addition to that, after 15 years, the FijiFirst Government has nearly realised the potential in the local investors. I thank you for that.

Sir, I think most of you are from Labasa or Vanua Levu and you must be able to read the situation in Vanua Levu and why we are lagging behind. We have been neglected long, long way back. All investment opportunities, the big factories, tax free zones and everything is in Viti Levu which is the main land. Tourism is in the Western Division and the Central Division has got all the factories.

The main problem faced in Labasa is the frequent flooding of Labasa River. We have been crying over it, we have been writing and we have been doing our level best so once this is improved, I am sure there is a lot of money in liquidity. Money is sitting in the bank, unused. I am sure this will be put into investment. I need to put this across to you if this could be the first priority of this Committee.

We have had four floods devastating the town and virtually each time it comes and goes, we got nothing from the Government. Unfortunately, I have to make this statement. I do not want to be seen as supporting myself but that is the statement from the people of Labasa.

Vanua Levu has been devastated so many times with no assistance whatsoever coming to the North, in comparison to the same situation when it comes to Viti Levu and the Western Division where there was a lot of help, a lot of relief supplies and a lot of things going there each time. The reasons is, the people of Labasa are silent, and they do not make noise about it.

Having said that, I am supporting this Bill because it has a good intention and it has to be observed. We are fully in support of this Bill because our local investors need to be protected and security should be given, for instant, after the flooding or other disasters that occur. This river should be cleared, there is no other option. Otherwise, we have to relocate the town which will be much more expensive.

So many people have invested millions of dollars into their buildings and factories and we cannot see it getting destroyed every time. The last flood we had after *TC Ana*, I really do not know whether the businessmen have fully recovered from it or not because it takes a lot of time to recover. Could you, please, start from there? Make the environment conducive so that people are not reluctant to spend. They have money, I am telling you, Labasa people have got money but it is of no use if you put money into liquidity. The money is something you have to invest, you have to put it elsewhere so that you get people employed, get the investment going and get the economy turning.

Previously, I have also noticed that a lot of emphasis was given to foreign investors. I think the Media Decree still states (I am not sure whether it has been amended) 51 percent local shares and 49 percent overseas. So it is about 50/50 - that is the only industry that entertains overseas investment.

The rest of the investment in Fiji are self-made. Every person I have visited have all invested. They have put their money into it, they designed their business model themselves and that is probably why it is working.

Labasa may be a different setup altogether. Here, we have small industries and we need Government to protect those industries so that our people remain in the North and we have our investments going. I want to say here that the North is quite different and you cannot compare with Viti Levu - our way of life, our way of living and our way of doing business is totally different, so we should look at this in a different way.

If the Government is really coming with this kind of legislation I think it should be good for everyone. Whatever is good for me should be good for everyone, only then should we proceed, otherwise we do not. I think this is good for me, it is good for our people and I think it is going to be good for the country. Thank you, Sir.

MR. CHAIRMAN.- Thank you very much, Sir, for those words. As far as Labasa River is concerned, please, be rest assured that we are working hand in hand. We were supposed to get two

MR. CHAIRMAN.- Thank you very much, Sir, for those words. As far as Labasa River is concerned, please, be rest assured that we are working hand in hand. We were supposed to get two dredgers but there is a bit delay but as soon as the dredgers are here, one will be sent over.

Currently, we are trying to work with the barge and diggers to see how best we can do that but the result should be achieved by the dredgers. Unfortunately, there are some delays. Government is trying to procure two new dredgers because one thing we need to be mindful of is that, when we came up with the Ministry of Waterways, this was the very reason because of climate change and flooding is becoming an issue. Now, we see it every now and then so we needed to invest.

We have created a Ministry on its own which is the Ministry of Waterways, to ensure that the dredging is done there. There has been some work done in other parts of Fiji as well. For example, in Viti Levu, the amount of rain that was recorded during *TC Cody* was more than the amount of rain in London, and that is the fact. But still, we were able to safeguard some of our main towns and cities.

For Labasa as well, we are looking at starting the dredging work as soon as possible. I personally had a discussion with the Minister for Waterways, honourable Dr. Reddy, and he has also assured that very soon, they will start the dredging works in Labasa River, as well as the other rivers, such as the Qawa River. So we are working at the moment to ensure that we do dredge those rivers.

Definitely, the flood is affecting the business community and we do take note of that. Once again, this is something that has been brought up during the public consultation, so we will pass the information to the relevant Minister, that this is something that needs to be prioritised from inside. So, we will definitely get back to you on some mandate as to when Labasa River is going to be dredged, et cetera.

MR. K. PRASAD.- Thank you, Sir. While we are still on flooding, I think in the 2018 Budget, the Minister for Economy had allocated around \$24 million to \$28 million for dredging works. I am not really sure whether it was \$24 million or \$28 million, but I am sure it was over \$24 million. It was allocated to the Ministry of Waterways but nothing has happened from 2018 and now we are in 2022. That was quite a bit of money, I do not know whether that money has been utilised.

MR. CHAIRMAN.- Excuse me, Sir, I have to cut you there. At the moment, we are discussing the Investment Fiji Bill 2022. If there is something that needs to be discussed, we can definitely do it after this meeting.

Unfortunately, we are not mandated to discuss all those but definitely after the session, if you want we can have a one on one session, I can explain what transpired between 2018 to 2021. So let us focus on the Bill that is before us. Thank you.

MR. A. ALI.- Thank you, Mr. Chairman and honourable Members of the Committee. Once again, I would like to reiterate the sentiments that Mr. Narayan had mentioned, we welcome such initiatives from Investment Fiji and, of course, the Heritage Bill. Perhaps, we would like to state that the confidence of the local investor in the existing business is already, an all time, low.

Before we focus on the foreign investors, what I would like to implore to everyone, the honourable Committee Members and the corporate bodies such as Investment Fiji, is to look into the matters pertaining to export and pertaining to local domestic market supply. I am particularly speaking in terms of primary industries. I would also like to acknowledge my fellow colleague, Mr. Richard Du, who is the owner of Gold Hold Fish Industries. On the one hand, Sir, we welcome this

Bill but on the other hand, we would like to implore to the Government, please, look into the process which, we believe, has become bureaucratic and the turnaround time for our process is massive. At the same time, Sir, the retaining of 400 employees in our industry is becoming quite difficult under circumstance so with that said, Sir, I am quite happy to hear your response. Thank you.

MR. CHAIRMAN.- Thank you, Sir. As you have mentioned, definitely, that is something that we are going to put in our report that is going back to Parliament. Unfortunately, there is no definite change in a particular clause as to what you are saying but definitely when we do put together our report, we put certain recommendations. So, those are some of the recommendations that the Committee is going to look into, how Investment Fiji can start collaborating.

You are correct, the lead time is a bit too much and that needs to be reduced. So, Investment Fiji needs to step in and talk with relevant agencies and the industry itself, to ensure that these kinds of hurdles that are being faced by the industry are not there. Definitely, we will put that as one of our recommendations.

MR. A. ALI.- I have another question, Sir, pertaining to such an initiative. On behalf of the Chamber of Commerce, we have a very common question that is causing everyone a bit of anxiety. Would this Bill allow foreign investors to establish similar industries and eventually compete with the local ones, such as the timber industry, fisheries industry and other manufacturing industries that are involved?

MR. CHAIRMAN.- That was what I was trying to explain upfront. There will be a direction given to Investment Fiji and they have to work towards that direction. Now, that is going to be a policy decision which has to be set out by Government.

As I was saying, Government will set out policies to ensure that there are specific places or specific industries that will request Investment Fiji to work on, for example, tourism which is booming, whether we need more foreign investors to come and invest in Fiji in terms of the tourism sector or not. So, that is one of the policy decisions that is going to be taken.

For the timber industry, do we have sufficient timber industries already or we need to bring someone from outside? So that is entirely a policy decision. We cannot comment on that but the Government is going to decide what is needed and which direction Investment Fiji needs to go.

There are many untapped opportunities that are available. For the local investors to come and invest and not just compete, that is why I had read out that particular function that we need collaboration. As I have said, in order to increase exports, we need to collaborate with the bigger exporters siting somewhere else so that we can start doing contract manufacturing with them - the new way of doing business.

MR. H. NARAYAN.- There was a duty protection before when doing manufacturing out of Viti Levu. There was a 3 percent duty on raw material which was budgeted in Parliament, I think, six years ago. Any manufacturer outside Viti Levu will get all duty concessions zero on all raw material, compared to other manufactures like in Viti Levu, such as Punjas, et cetera. Now, it is the same - zero concession to all manufacturers whether you are in Viti Levu or Vanua Levu.

Our main concern is, there the high cost of logistics that we are facing. If I pull out all my factories and I go to Navua, I build on a six acre or 10 acre land, I may perhaps save about \$700,000 or \$800,000 on logistics where I am paying \$2,000 per container. If I am in Navua, I will be paying

about \$300 or \$400 for a site, lifted and go, and I have 80 percent of the market in Viti Levu and the export market. I am not saying to do that but it is just a scenario, where we can be protected in law.

Also by this, I think there will be no manufacturers coming to Labasa. Maybe in 20 years or 30 years, no one is going to come to invest. I am stubborn but I have not seen any new investors or manufacturer coming into Labasa to boost the economy, employment, et cetera.

The duty protection was 3 percent and I think one of the paper factory in Labasa closed down because they were making A4 papers before there was the imposition of duty protection of 3 percent and now it is zero/zero. I think it has been closed for three to four years. Some factories in Labasa have been closed because there is no difference between operating. We are getting more cost of operating in Labasa compared to Viti Levu.

MR. CHAIRMAN.- Thank you very much. That is not directly related to the Bill but we do take that point. We will relate it to the relevant line Minister who can take it from there. Are there any other comments?

MR. M. PRASAD.- Thank you, Mr. Chairman and honourable Members of the Committee. We welcome you.

About 30 years or 50 years ago, the Government had introduced the policy called the 'Look North Policy' and eventually, it never eventuated. Now, the Government is bringing in the Investment Fiji Bill 2022 which is too late but it is good for you people. This 'Look North Policy' as I see it, Government is sitting in Government House and looking towards the North. Since then and to date, they have not done anything. I am making an overview that we are lagging behind.

MR. CHAIRMAN.- Excuse me, Sir, please, I need to make this clear. If you are making an allegation, please, back it with facts and figures. You cannot just say in this forum that the Government has not been doing anything. Please, if you are putting a claim, put it up with facts and figures, otherwise I request you not to do so.

MR. M. PRASAD.- We all know what has been done in Labasa and all in Vanua Levu, compared to Viti Levu. Labasa or Vanua Levu has a de facto relationship with the Government probably. They have not done much on what they should have done. Any development we see is in Viti Levu, Vanua Levu there is very little development.

We must see now that when any sort of development or investment is done, we slightly slacken down. Viti Levu has got more concentration so that people here can prosper, they can enjoy life as being in Viti Levu and a lot of things can be done here, a lot of employment. We have seen that a lot of land has been reserved. Many have migrated to Viti Levu and Labasa has been lagging behind for quite some time.

MR. CHAIRMAN.- Thank you, Sir, for that particular comment, that is taken on board. Is there anyone else?

We have youth groups here, if you would like to comment, you can also do so. After all, this investment is going to affect your future and when we have some potential investors sitting here, it is an opportune time for you to raise what you see in terms of investment in the North.

MR. S. KUMAR.- With your permission, Mr. Chairman, I would like to request my members, please, be on the point. We are here to discuss on the Bill. Anything related to investment,

you think that will help Vanua Levu or Labasa as a whole, please, share with us those ideas. We should not point finger at each other, this is not the right time. I know what you have said may be right or wrong that can be in another forum. But this is the time for us - leave everything behind, let us all unite, work together hand in hand with the Government, with our investors and bring our country forward because at this point in time and for the last two or three years, all our investors, our business community and the people of Fiji are facing difficulties due to COVID-19. My request for everyone, the youth included, please, share with us your ideas. Let us all work together and get this country running. That is all I can say, thank you.

MR. CHAIRMAN.- Thank you, Mr. President. Are there any other comments?

MR. A. ALI.- Sir, I would like to comment on what the gentleman had mentioned earlier. Perhaps, where he is coming from as an investor, the confidence over the past years has significantly eroded. I, as an investor, in my capacity will not speak further on that but I would like to digress and perhaps, talk about our industry.

Sir, I would like to recommend as an investor that Investment Fiji's new beginning and new foresight should include the promotion of exports, particularly in the primary industries like the timber industry and the fisheries industry.

Over the years, our prominent products which we were exporting to countries such as New Zealand, Australia and the USA, it has, for some reason, been banned, especially on *bech-de-mer* that Mr. Richard Du was previously exporting. The uplifting of the ban has been temporarily implemented.

Sir, in future, what I would like to implore to Investment Fiji is perhaps, realise the potential of these industries and maybe detach, not that it will be profitable but we have to be less dependent on our tourism. Perhaps, put more focus on the timber industry and other primary industries, such as fisheries.

What I would like to request to Investment Fiji with their new foresight is perhaps, be in close cohesion with the primary industries and, sort of, expedite the processes that they are facing, particularly in exports. Thank you, Sir.

MR. CHAIRMAN.- Thank you, Sir, that is well taken on board.

MR. S. KUMAR.- Sir, for your information, I was told by the honourable Minister for Defence that the bull supplied to Viti Levu is higher than Vanua Levu. So you can see the local investors, everything is here, like the gentleman has said that the timber industry. We used to export plyboards, *bech-de-mer*, fish, et cetera, and this is where we get the income. If they are protected, definitely Labasa will grow and they will create more jobs. So this is very important, at least, this that can be taken to Parliament and then probably that will help our people in the Northern Division. As I have mentioned at the beginning, Labasa is generating their own income. So, this is the right thing, as what the gentleman has said.

MR. CHAIRMAN.- Thank you, Sir, very much agreed. On behalf of the Government I would like to say whatever we do and whichever investment we take, we need to see that things that are sustainable. For example the *bech-de-mer* was raised, yes, it has been banned but we need to ensure that, that particular fish is sustainable in the future. We cannot just run out of livestock.

MR. R. DU.- My name is Richard Du of Gold Hold Fisheries Company. I am operating a fisheries business industry. I was an investor from 1995 and it is now 27 years. I have built my industry in the Northern Division. So far if you check the fisheries industry in the North, there is only one company and the Northern Division does not have many fishing companies.

We spent about millions of dollars to make the factory and we spent millions of dollars for village investment. There are 104 villages. In the office, I have 66 villagers and 600 people have suffered. We invest in the villages right from Bua, Cakaudrove and Macuata. We are trying our best and we have done it for more than 25 years of exports.

We invested all our money, our profits and what we earn we reinvested it locally. We did not take money overseas. I was single when I came to Fiji. I married a local, my children are born here and I have changed my citizenship in 2002. We earn money but we reinvest, and that is why my business has run for more than 25 years.

On *bech-de-mer*, 25 years ago we were legally exporting. We have a business licence and we have been exporting for so many years. The Ministry of Fisheries conducted a stakeholder meeting before *bech-de-mer* was banned. They invited about 15 companies to the Headquarters where the Permanent Secretary, Directors and all the stakeholders were present in the meeting. I have with me the email where it says that no industry agreed to the ban of *bech-de-mer*. They never discussed it with the stakeholders, like in the village or chiefs or fishing ground owners, they never did a research.

So far the Ministry of Fisheries do not have any stock inventory for *bech-de-mer*. For the Ministry of Forestry, they have a stock inventory for different *mataqali* but Fisheries they do not have. The Northern Division has three Provinces and in each Province, they have Districts but they do not have data from each District on how much resources is left.

Before in the ban from 2014 to 2017, my company exported about \$50 million worth of export of *bech-de-mer* within four years. In 2017, we made \$10 million export and they said that there is no more *bech-de-mer* left. If there are none left, where are we going to export and where we are going to get that amount from?

We paid \$10 million as our income tax to FRCS but village people do not listen and they continue diving. The NGOs have told the Ministry of Fisheries that there are no stock left but they banned the export of *bech-de-mer*.

In the North, everyone is diving and they have got *bech-de-mer*. I am not a harvester but village people are harvesting. They supply and I bought them. I processed them but they came and seized the product worth \$1.4 million. They took it from my factory. There was no court case but they buried it in the rubbish dump. I am an exporter and I spent more than US\$10 million locally but we did not get any protection. We are the only one factory in the North.

MR. CHAIRMAN.- Sir, one thing with regards to *bech-de-mer*, again, it does not directly relate to the Bill ...

MR. R. DU.- No, but it is related to the Investment Fiji Bill. I am an investor ...

MR. CHAIRMAN.- What I am trying to say is...

MR. R. DU.- No, what I meant was, I was a foreign investor and became a local investor. I continue to invest uptil now. When the *bech-de-mer* stopped, I invested in aquaculture. I am investing in aquaculture, I am investing in solar and also investing in a sawmill in the Bua Province, especially targeting the export market. I invest in agriculture but agriculture is not helping me, as well as fisheries. We want the Government to help us because we invest a lot.

I have stayed in Labasa for more than 25 years. That is why I have mingled with the locals and we want you to protect us. Give us a policy that can protect us. We have investment in the forestry sector and there are no other investors coming because we do not have enough resources for our local investors, like saw millers. We have enough money for timber.

The Minister for Fisheries asked Mr. Joji from the Northern Division Ministry of Fisheries a few years ago, “Try and make one big factory to be the fish factory.” I told Joji, “My factory is here. I spent \$2 million investment for my factory. What kind of factory are you looking for? You do not have enough fish to supply to me.

Everytime in Labasa Town, if they want fish, they will go to the market and then they change their mind. “Oh, we go to come to Gold Hold.” Fishermen are dumping their fish into my factory because we are doing the processing. I have a cold storage. We have already invested on simple projects locally because we have already invested in fisheries, forestry and agriculture. For agriculture, you have protection for FSC but we want Government to protect us as well.

MR. CHAIRMAN.- Thank you for that comment. Again, I want to emphasise that we do understand where you are coming from, but the Government needs to ensure that the industries are sustainable. We do not have a single nursery at the moment for *bech-de-mer*.

The Government is not against your business. We need to provide a conducive environment and we need to ensure that the industry is sustainable in the next 20 years to 30 years’ time. We totally understand that there are livelihoods attached to *bech-de-mer* harvesting, especially in the province of Bua. Now, we need to ensure that the amount of stock available for the industry continues. Let say, tomorrow *bech-de-mer* becomes extinct, what will happen to your industry?

What we need is, and the Government is actually working to have a nurse, we will need to breed them and then we will put them in the sea for them to grow before they can be harvested. At the moment, that is not happening so that is why the Government is stepping in. For the timber industry, that is why reforestation is so important. If reforestation is not taking place and only deforestation is taking place, there will come a time when the raw materials will end.

So those are some of the things that the Government is doing. That is why we are saying that we are trying to provide a conducive environment and sustainability in a particular industry that is growing. We cannot expect raw materials to grow by itself. That is where Government is stepping in to ensure that the raw material (stock) is increased.

MR. R. DU.- That is called resource management. For Fisheries and Forestry, the problem is, they do not have proper resource management. If Parliament asks the Ministry of Fisheries to give data, for example, in the Northern Division on fishing grounds, the resources in Macuata, Bua and Cakaudrove, how many districts in Macuata, how many districts in Bua, they do not have any data.

MR. CHAIRMAN.- I also do not have that particular information that you are trying to say...

MR. R. DU.- I am not really sure.

MR. CHAIRMAN.- But definitely, we as a Committee, will liaise with the Ministry of Fisheries to ensure whether the data is available or not.

MR. R. DU.- No, I am 100 percent sure.

MR. CHAIRMAN.- Still, Sir, from our side, we need to get clarification from the Ministry and we cannot just...

MR. R. DU.- What I meant is, we do *bech-de-mer* training. In 2017, before *bech-de-mer* was banned, Fiji exported *bech-de-mer* more than \$20 million worth. Suddenly, they are cutting down to zero. Resource management can slow down, it can reduce the company and reduce in size. I am talking about investment because Government have a lot of policies, like you give software and you do not give hardware to us. We can just watch but we cannot use it. What he said about 'Look North Policy' it gives software but no hardware. We can never develop the Northern Division but the policy you are making should benefit both, locally and foreign as well.

MR. CHAIRMAN.- Thank you, that is taken on board.

MR. R. DU.- What I had said is, in the Northern Division, there is only one factory of *bech-de-mer*. I am the only one who has the proper factory in the fisheries industry. Fifty years ago, there was no factory until now but my factory is the only factory in the North. That means you have only one investor who is providing investment. The other 14 investors, they are not proper investors. There are 15 companies but only one proper investor. Let them continue. You can make it in quarters, like how much products should be exported, what size should be exported but not cut down to zero.

We have told our workers to go home. We asked them to work as labourers but they said they do not want to work as labourers. I have more than 100 people working in my factory at that time but I sent them home. The law does not protect them. That is what the Ministry of Fisheries told me before. If they are working today, tomorrow I will tell them to go home but they said, "What about if we work as labourers."

MR. S. KUMAR. – Thank you, Sir. Actually our concern is that, there should be something that protects the local investors more than the foreign investors. Sometimes, we have seen foreign investors arrive into our country and we call them suitcase investors. A suitcase investor means, they come to Fiji with their suitcase, they do not invest, they use our money and they take all our money back. That is why I think most of our members have said that our local investors should be protected. Thank you, Sir.

MR. A. ALI.- Thank you, Sir. I would like to state that with Investment Fiji's core objective to promote foreign investment and local investment, I firmly believe that the answer that we all seek or that Investment Fiji seeks lies within Fiji. I would like to back my statement further by referring to what honourable Premila Kumar mentioned, how much Fiji actually invests in education? I think the financial year, and correct me if I am wrong, somewhere between \$700 million to \$800 million alone - more than \$1 billion, so it is quite astonishing to note the economic amount.

All those new graduates and I am speaking on behalf of my fellow youth members, Sir, all these investments that we have put into students, how do we expect them to repay to the Fijian Government? They should seek opportunities abroad but with the expertise and the resources that

Investment Fiji is equipped with, it perhaps can focus a lot on those young and fresh graduates who are filled with enthusiasm and will pursue their own entrepreneurial skills, Sir. The only aspect that they are lacking is in terms of financial resource.

Sir, often times, commercial banks have that level of scepticism with young entrepreneurs. The risk, of course, is quite high with financial moneylending, so that is where Investment Fiji can come in, into the equation and provide assurance because we have invested in Fiji.

As a concern we have invested a lot in those young graduates and that perhaps, the future shows that they can repay that money back to us by putting their skillset into their own entrepreneurial skills with financial resources that Investment Fiji can lobby from financial institutions. Sir, that is my main concern, thank you.

MR. CHAIRMAN.- Thank you, Sir, that is well noted. You might have heard about the Government's objective. What you are saying does not come through with Investment Fiji but we have the Ministry of Commerce, Trade and Tourism which is working with Micro, Small and Medium Enterprises (MSMEs). We want our graduates not to be job seekers, but it will create opportunities. They will be self-employed or employ others, so that is very important. That policy is already there with regards to our youth and new graduates coming out from tertiary institutions.

MR. N. KUMAR.- Good morning, Sir. My name is Navishekh Kumar. I am from the Siberia Raising Star Youth Club. I want to ask a question regarding the Investment Fiji Bill 2022. How will this Bill impact the youth in Fiji?

MR. CHAIRMAN.- I believe you are just waiting for someone to bring up the youth topic so that you can ask. Definitely, as I was saying, with regard to the youth, type of investment and a member right here rightfully stated the amount of investment that the Government is doing in the education sector. We want an educated society, so once our students graduate from tertiary institutions, they need jobs.

Definitely, if you are graduating, you will try to look for a job, so Investment Fiji will actually ensure that there is more investment. That means that there will be more job creation and then our youth, definitely our graduates coming out from tertiary institutions will definitely have a place to get employed. So employment will increase if we increase investment.

Any investment will come with job creation. Before, it was the investor saying that so and so millions of dollars was going to be invested in this particular project. Now, they are asking how many jobs are going to be created. That is very important with investment, when job opportunities come as well which will then benefit the youth and the graduates. Are there any other questions?

MR. M. SHANIL.- Thank you, Sir. My name is Mohammed Shanil, I am the Chairperson of the Labasa District Youth Council. Just a request for any organisation on accountability and transparency. I am talking about the Investment Fiji Bill 2022. Is the Council reporting within the members or this report will be presented in Parliament?

MR. CHAIRMAN.- Thank you for that particular question. With regards to accountability and transparency, the accounts of Investment Fiji is going to be audited. Once an audit is done, annual report is going to be generated and be presented in Parliament. Definitely, it might not come to us but it might go to the Standing Committee on Economic Affairs. They will scrutinise the funding that was given, the annual report and everything. So the reporting is directly to Parliament through the line Minister.

The annual report is presented to Parliament whereby a Standing Committee scrutinises what Investment Fiji is doing and they might come up with certain recommendations while scrutinising the report itself, to ensure that Investment Fiji is going in the direction. I hope that clarifies, Sir.

MR. M. SHANIL.- Sir, seeking another clarification on membership as stated in the Investment Fiji Bill 2022, is it possible that we have a few members from the Northern Division to represent Vanua Levu? This can be a good opportunity for them to visit, probably while doing the monitoring. Those who are willing to do the investment here in the Northern Division.

MR. CHAIRMAN.- If I am not wrong, you are basically talking about the Office of Investment Fiji? Yes, definitely that can be decentralised to all the places. I believe there is an office already in the North. If it needs to be decentralised to other places in Vanua Levu, submission can come up. Investment Fiji can look into it and if there is a need to increase the office or to increase their presence in other places in Fiji, not just Labasa or Vanua Levu, it is entirely on the Board to decide. But definitely, they can decentralise their office to other places in Fiji. One last question?

MR. K. PRASAD.- Thank you, Mr. Chairman. While the focus is on Vanua Levu, I think it is important that our ideas, views and our opinions are expressed in a manner which is acceptable. Overall, I do not see anything wrong with this Bill, personally speaking.

The Bill is certainly designed to protect the investors and increase exports. This kind of thing is good for the local investors, it is also good for the Northern Division and I thank the Committee which has come all the way from Suva to give us this opportunity. Sir, we do not get this kind of opportunities, so to speak.

We are always lacking behind because we cannot put our ideas across but today, we have received a lot of ideas from many people. I hope it makes sense, no one is perfect, this Bill may not be perfect but as I have said before, the intention is good. We can see that the intention is there so having that in mind, our support is behind you to see that justice prevails, we get a fair share of the cake and we get some attention and see our people prosper. Labasa is not as Viti Levu, as I have said, we have got different culture altogether, so I hope that, that is kept in mind. Thank you very much to all of you.

MR. CHAIRMAN.- Thank you very much. I shall give the floor to Mr. President for his final comments.

MR. S. KUMAR.- Thank you, Mr. Chairman. I am for this Bill, I think it is good for our investors, good for our people and not only in Vanua Levu but all over Fiji. Thank you, Sir, for giving us this time to be with you to discuss this Bill because you are also our local Minister and the youngest Minister in Cabinet. I think you know more about the Northern Division and I hope and I totally believe in you that our voice will be heard. On behalf of my members and the business committee in the Northern Division, thank you very much.

MR. CHAIRMAN.- Thank you very much. Before we wrap up, I will give this opportunity to honourable Bulitavu to wrap-up today's session. Thank you very much.

(Vote of Thanks – Hon. M.D. Bulitavu)

The Committee adjourned at 11.49 a.m.