

[VERBATIM REPORT]

STANDING COMMITTEE ON JUSTICE, LAW AND HUMAN RIGHTS

BILL

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

SUBMITTEE: (1) Investment Fiji
(2) Fiji Commerce & Employers
Federation

VENUE: Big Committee Room, Parliament
Precincts, Government Buildings.

DATE: Thursday, 3rd March, 2022

VERBATIM REPORT OF THE MEETING OF THE STANDING COMMITTEE ON JUSTICE, LAW AND HUMAN RIGHTS HELD AT THE BIG COMMITTEE ROOM (EAST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS, ON 3RD MARCH, 2022 AT 9.30 A.M.

Present

Hon. A.A. Maharaj	-	Chairman
Hon. R.R. Sharma	-	Deputy Chairperson
Hon. Dr. S.R. Govind	-	Government Member
Hon. Ratu S. Matanitobua	-	Opposition Member
Hon. M.D. Bulitavu	-	Opposition Member

Interviewee/Submittee: Investment Fiji

In Attendance:

1.	Mr. Kamal Chetty	-	Acting Chief Executive Officer
2.	Mr. Lisala Dyer	-	Head of Regional Development
3.	Ms. Musarat Ali	-	Senior Investment Advisor
4.	Ms. Caroline Bentley	-	Acting Senior Trades Advisor

MR. CHAIRMAN.- Good morning everyone and welcome back. We will continue from where we left. Our first submission was from MSAF and now we have the second submission which will be done by Investment Fiji by Acting Chief Executive Officer, Mr. Kamal Chetty.

Thank you, Sir, for availing yourself to appear before the Committee with your team and taking time out to actually take the Committee through the Bill itself, to do your presentation as well as to give the submission which regards to the Bill and the background on the two legislation - the Investment Fiji Act 1980 and the Investment Fiji Bill 2022. Without any further delay, for the information of our submittees, I will introduce the members of the Committee.

(Introduction of Committee Members by Mr. Chairman)

We will go in to the submission proper. I would like to request if the team from Investment Fiji can introduce themselves and from there, we will go into the presentation.

MR. K. CHETTY.- Thank you, Mr. Chairman. First of all, thank you very much for inviting us to do a submission on an important Bill or piece of legislation that is very important to us.

(Introduction of Investment Fiji Officials)

MR. K. CHETTY.- Mr. Chairman, I have got a presentation on the Bill itself and as I had mentioned, it is an important piece of legislation for us and our organisation will play an important role as we move forward. That is my perception of the submission and that is where I will come from.

Just to set the platform of the Bill itself, as an organisation, we will move away from a regulator to a promoter so it allows us to promote investment, and I will talk about why is it that important for the country as a whole. Obviously, with the current Act which is from 1980, we issue Foreign Investment Registration Certificates, we monitor investors and at the same time, we also do

investment promotion. But with the new Bill, we will be able to focus more on investment promotion which is the global trend currently happening around the world.

For the Committee, I just wanted to put a bit of perception globally on what is happening. So, if you look at on the right it kind of talks about investment promotion agencies globally. So, it talks about where agencies are 50 percent regulator and 50 percent promoter, they usually are weak agencies as an investment promoter agency.

The better agencies that have globally done very well are 100 percent promoters. They focus on promoting investment globally, trade for the country, help the country diversify economy base, help the country recover and attract good investment in the country.

What happens is, if you are a regulator and a promoter, a lot of times staff get confused also. They use a lot of powers to regulate people rather than promote, and the investors or customers also get confused in why, as an investment promotion agency, you are also kind of trying to monitor us while monitoring are done by other agencies responsible.

There is a very positive coloration. I want to show from research perception, that if we do our investment promotion (which is the new Bill is talking about) really well, we have strength in location image, targeting and generating investment advocacy really well, we will be able to attract a lot more investment and globally, that is proven. There is a lot of positive coloration between your promotion and also good investment in the country.

What has happened with Investment Fiji that has obviously made us think is globally is what is happening with the geopolitical situation, with COVID-19, new actors coming into play; businesses evolving using different modalities, and this piece of legislation is very important that allows us to think the role and nature of investment and trade promotion in the country. At first, to really make a difference, we need to take all those things into account.

Globally, if you look at these days, there are 2,000 plus Investment Promotion Agencies (IPAs) at country level, at city levels and some are also at regional levels. Very few of the countries in the world currently do not have an IPA. All of them have it, but what I am trying to point out is, the market has become very noisy. Everyone is competing for the small amount of investment that is available, so for us to be a regulator and promoter, maybe we were not able to make that noise effectively. That is why in the noisy market, if you think about investing, usually think about these agencies. These agencies are the best in the world and play an important role for their country in terms of attracting the right investment and exports.

Why they are important is because they create a strong country brand image; a proactive focus on competitive sectors; have good quality infrastructure and skills; leading IPAs have strong and promotional capabilities; have an excellent investment facilitation for both, foreign and local investors; and strong partnership with government and private sector, including overseas-based agencies. That is the reason they are able to do really well in the global environment.

That is the kind of the first part of the presentation, which talks about why is it very important for us to really shift from a regulator to a promoter, and what are we doing at the moment. I also wanted to highlight to the Committee that we are doing a lot of work behind the scene to assist with the recovery of the country and to assist with the diversification of the economic base.

What we are doing at the moment in a global context is, we are doing a lot of work around sector and market analysis. I had mentioned that there has been a lot of shift around where the

investment is coming from and around where types of investments are coming from. So, what we have done is, we are working with a global renowned company in doing a sector analysis of all sectors. I will talk in a bit detail on that.

Basically, we look at the different sectors in the country, which sectors are competitive enough to do well at a global environment and which sectors can make a difference to the economy. We then look at the markets that are important. We will not be going to all the countries globally, but for a specific market with very specific investment.

At the same time, we compare ourselves with the competition, the countries that we aspire to be and the countries that are our competitors. Based on all those, we talked to a lot of stakeholders, we are developing a new vision and strategy for Investment Fiji, a new marketing plan, a new aftercare plan which assists both foreign and local investors, and we do monitoring and evaluation which is very important for the country and for Investment Fiji. This is just an example and not the real data we have got.

We put all the 21 sectors globally and then did an analysis around what is FDI's overview into this. We looked at a number of data points, we looked at known opportunities that are in the country and outside, we looked at the economic impact, we looked at COVID-19 resilience and also looked at stakeholder alignment. Based on that, we identified sectors which are very high demand sectors, sectors that are medium demand sectors and sectors that are low demand sectors. It does not mean that they are important but there is much more work needed for us to attract the right kind of investment in those sectors. This is kind of the FDI analysis which is just an example.

Then we also did the same for trade. For trade, we looked at what goods are demanded globally, known opportunities, COVID-19 resilient and then stakeholder alignment. Based on those, we identified sectors that are high demand and sectors that are low demand. So, the sectors that are high and low demand are taken into a supply side analysis, which basically looks at our competitive countries that we aspire towards and will assist us to compare ourselves against that.

Then we will have sectors that are very strong, which you can compete globally very well, sectors that are medium which you can also compete with, but for low sectors, there might be some work needed that we, as an investment promotion agency, have to facilitate with policy advocacies in order to take them to the next level.

Tourism is a very strong sector. That does not mean we are number one amongst our competition. It means it is more integrated into our economy rather than other sectors or other countries. Based on that, we do an analysis, and then on a summary of what I am trying to say is, then a very targeted approach, we will know which countries we want to target and at the same time, we know which sectors and where the investment is coming from. So, it is a very scientific or innovative way of finding out where the opportunities are and you are tapping onto those right opportunities, not going and investing yourself into a lot of activities that really does not give you a return.

Based on that, this would be like, for example, on investment side, that will be the sectors we might concentrate on and on trade side, we might concentrate on certain sectors. So, this is just an example I wanted to share with the Committee, on the aspect of why is this important.

Then based on that, we developed our marketing strategy and on the marketing strategy, we looked at strategies that have high return of investments, some also looked at cost, so some strategies might make sense and some might not. So, we identified which opportunities are those and where

do Investment Fiji really tap onto those opportunities and what techniques to use to really be out there in the market. Just an example, a summary, but we have got a detailed report on this.

Also on aftercare plan, we identified our customers. This aftercare plan is basically assisting local businesses, foreign businesses to establish and grow in the country. What we do is identify customers by different categories - recognised, tracked, bronze, gold, silver and based on what their status and the benefit to the economy is, we provide them services and those services are very important for them when they set up here and also when they establish.

I think for the Committee it would be very important that at the end of the day we do everything right, if we measure it very properly. So, there are some KPIs that are based for Investment Fiji, there are some KPIs that will be an outcome for the organisation but I think some KPIs that are important for the country like the economic impact, the quality of jobs created, the talent upskilling, export growth and also return on investment which is very important for the country. So, we measure all those things with our new strategy that we are, kind of, working on at the moment.

The last thing I wanted to highlight is we do not leave our stakeholders. We map them out, there are a number of stakeholders, number of people involved in it so we just identify the journey of an investor, journey of an exporter and see where different stakeholders come and do. Some in some journey might play a lead role, some a supporting role and a limited role. So, we identify those and work with them directly. That is the end of my presentation.

I wanted to show you what is at stake for us, especially changing our legislation for us to become an investment facilitation agency and effectively and efficiently making a difference in the economy so we are able to attract the right kind of investment, the right kind of trade deals for the country and also assist our local businesses to grow and move to the next level. Thank you, Mr. Chairman. That is a summary of our presentation.

MR. CHAIRMAN.- Thank you, Mr. Chetty, for that particular presentation. It was very enlightening with regards to the Bill itself, the Investment Fiji Bill (Bill No. 5 of 2022). Thank you for taking us through some of the functions and what Investment Fiji is currently doing.

To start off, would there be a structural change if the new Bill becomes an Act? How is the structure of Investment Fiji going to be, is it going to remain the same or is it going to change under the new Bill?

MR. K. CHETTY.- Thank you, Mr. Chairman. It will be a similar structure. The only thing is, we will not be doing processing. At the moment, we are doing processing of Foreign Investment Registration Certificate, so when a foreign investor comes to Fiji, we do a foreign investment registration. That will be removed. So the team will be trained to most likely do other stuff within the organisation. In the new Bill, that will obviously be removed.

MR. CHAIRMAN.- Who will give the certificates then?

MR. K. CHETTY.- What we have realised is, the certificate was just a certificate for investors. You can directly go to the Registrar of Companies and start the process. So they will start the process with the Registrar of Companies and our certificate was not necessary to give any validation or anything. The same thing will be done by the Registrar of Companies.

MR. CHAIRMAN.- The other thing that is going to be removed as per the Investment Act that was passed last year is the powers to conduct investigation and inspection. Where do those responsibilities go to?

MR. K. CHETTY.- Those responsibilities go back to the agencies themselves. For example, if it is relevant to immigration, they will be doing their monitoring because what we have realised is, maybe it was done and I know monitoring was being done, so we are supposed to concentrate and divert our resources to main activities that we are doing, so that will be done by relevant agencies - Immigration, Environment or Registrar of Companies. So it will be given to them directly to do the monitoring.

MR. CHAIRMAN.- With regards to that, I think a couple of years ago, Government came up with a portal for the foreign investors to actually log on to that portal and register their companies. So the agencies behind the scene are talking to each other rather than the investor going to individual agencies and then do the talking. Is Investment Fiji going to take that on board as well?

MR. K. CHETTY.- As part of our aftercare plan, that will be part of the reforms or changes that we will propose. We will not really be developing it but we will be behind instead of supporting it saying, "This is what investors require based on what our experience with the investors would be." So it will be done by different agencies but we will be kind of, in the lead in supporting those reforms.

MR. CHAIRMAN.- So your office will basically be working closely with the Ministry of Trade?

MR. K. CHETTY.- Yes, Ministry of Trade all other tier 1 agencies, like Department of Immigration, Registrar of Companies and other agencies.

MR. CHAIRMAN.- Let us say, if we find a potential investor to invest in Fiji, Investment Fiji will also be responsible to actually ensure that they are able to get whatever requirements there might be to operate a business in Fiji. To ease the process, Investment Fiji is going to be there all the way until they start their investment in Fiji?

MR. K. CHETTY.- To start off, we want to be the first one to attract them so rather them coming on their own, we know what companies we will target and we bring them into Fiji. When they come to Fiji, we want to be with them throughout the journey. Even when are established in Fiji, we will also help them grow in the country and create more employment, so we want to be there throughout their journey.

MR. CHAIRMAN.- Yes, definitely, it is very important to actually give the aftercare as well because if we are just promoting and if there is any hindrance and we do not provide the support, they might actually go half way through rather than actually investing in Fiji.

The other issue is the objective of the Bill itself, it talks about domestic investors as well. Can you actually elaborate on some of the plans of Investment Fiji in regards to the domestic investors?

MR. K. CHETTY.- In terms of domestic investors, what we have realised is that they are very important to the economy as they play a very important role. In our aftercare plan, that support is provided to everyone. We would not differentiate between a foreign investor and a local investor, so long as you are contributing to the economy and creating employment, we will provide you that support.

That support will be in the form of, for example, if they are stuck with an agency, we will be happy to facilitate that. Maybe, there is a policy advocacy that we need to do for them and that will be the support provided to them.

Also, the other aspect of local investors or resource owners will be to help them grow to the next level, so we will have programmes in place that will assist them to grow to the next level and become an exporter. So if someone wants to export, we will help them through the process to reach the market globally. So, there will be a number of programmes within, for them to be at a global stage in doing business.

MR. CHAIRMAN.- I will hold on to my questions for now. Honourable Dr. Govind?

HON. DR. S.R. GOVIND.- Thank you, Mr. Chairman. Can you explain how the Investment Fiji Board is appointed? Who are the members and where does it fit into the Ministry of Trade?

MR. K. CHETTY.- Yes, so the Board is appointed by the Ministry of Public Enterprises and Ministry of Industry and Trade. I, as a CEO, do not have much say on it but obviously, it is done by the Ministries. It has a fair share of private sector people and also Government Departments. We currently have eight members in our Board which consists of both, the private sector and public sector.

HON. DR. S.R. GOVIND.- And is it like a statutory board and is independent?

MR. K. CHETTY.- Yes, we come under the Ministry of Commerce, Trade, Tourism and Transport. We have a Service Agreement with them, and we report to them and they provide support to us.

The responsibility of the Board overall as elaborated in the Bill, is more provided strategic direction to the organisation so more on to where should we tap into, what are some of the governance things that need to be looked after, so that is where the Board comes in.

HON. DR. S.R. GOVIND.- And the funding to the Board comes from Government grant?

MR. K. CHETTY.- Yes, it comes from Government grant. We also charge a fee for Foreign Investment Certificate which is returned and payable to Government. So, Government funds our operations.

HON. DR. S.R. GOVIND.- Thank you.

MR. CHAIRMAN.- Basically, the Board is going to be independent?

MR. K. CHETTY.- Yes.

MR. CHAIRMAN.- Investment Fiji is going to report to the Ministry of Public Enterprises but the Board is going to be an independent board giving directions to Investment Fiji through the directive that is going to be given by the Minister.

MR. K. CHETTY.- Yes.

HON. DR. S.R. GOVIND.- Does the Board have any office abroad to do the promotion - promoting investment? How do you operate in foreign countries, for example, Australia, New Zealand, et cetera? Who does your work there?

MR. K. CHETTY.- The Board does not have any office but under the Ministry of Commerce, Trade, Tourism and Transport, there are Trade Offices, so we work very closely with them. There is a Trades Office in Australia, New Zealand, one in China and one in USA.

We also have a number of international partners that we work with. In Australia, we might have five or six other organisations that also provide us support or in different markets that we have. So, it is a wide range of networks that we have built over the years that we work with.

MR. CHAIRMAN.- They might consider opening the offices of the secretariat as the Investment of Fiji, not the Board. The Board is just the body that will be overlooking Investment Fiji. The promotion lies with Investment Fiji, so Investment Fiji is the office and I believe they will be the secretariat to the Board to implement directions that are given by the Board.

MR. K. CHETTY.- Yes, the Board gives the direction strategically on what we should do and as CEO and staff, we are the implementers of those strategies.

MR. CHAIRMAN.- Similar to what we were basically talking about in MSAF. For example, if the Minister's directive comes that we need to start investing in the pharmaceutical industry, the Board is going to give directive to Investment Fiji and then Investment Fiji's responsibility is to promote Fiji as destination whereby pharmaceutical investors can come and invest.

MR. K. CHETTY.- Our role will be more on implementing those plans, how we need to go out there with techniques to bring that pharmaceutical, for example, to Fiji.

MR. CHAIRMAN.- The previous Board has eight members and the current one has eight, including the Chairman.

MR. K. CHETTY.- Currently, we have eight but there was 10 by now. We have 11 members but now it will be less.

MR. CHAIRMAN.- Now, it will be less coming down to eight.

HON. R.R. SHARMA.- Mr. Chairman, just a question, you have just highlighted that when overseas investors come, you try to be with them from the beginning till the end or till they are in Fiji. Is that similar with the local investors who are investing here and who are catching up with their business from day one till they are here in Fiji? Do you treat them equally - investors from overseas and local investors?

MR. K. CHETTY.- Thank you, honourable Member, for the question. Yes, we do. Some of them come to us late, not initial on the journey but when they do come to us and they are part of our customers, we do take them throughout the journey, for example, exporters.

A number of exporters come to us saying, "I have got all these products, I am developing this product, can you find me a new market?" So, what we will do is we will assist them to, first of all, understand the different markets, the rules and regulations of those markets and where those opportunities are. We then assist them by finding those opportunities through a Trade Office or our own networks, to find that the goods are sold overseas. So, that is an example of how we work.

HON. M.D. BULITAVU.- *Vinaka*. Through you, Mr. Chairman, just a simple question on the regulatory role. That will be carried on by what agency or Ministry?

MR. K. CHETTY.- Thank you for the question. For the role, what we were doing was just issuing a Foreign Investment Certificate and we used to do a bit of due diligence into procuring that Certificate and also did a bit of monitoring on to what the investors do and what they do in the country. However, that will be done by individual Ministries themselves, for example, Department of Immigration will do their own monitoring.

Obviously, it will be on a co-ordinated approach and we are working very closely with those agencies on building those capacities. We understand there will be capacity challenges and all those things because we have done it for a while. So, what we are trying to do is to work with them, get those trainings together, understand what their challenges are and then give our expertise into it. So we will definitely assist them during that process.

HON. M.D. BULITAVU.- I do not know whether this concept is still there, the single window concept or a one stop shop for approvals, et cetera. So, how will that continue through the arrangements that you have after the Act is enacted and the new role of Investment Fiji?

MR. K. CHETTY.- We will continue to have the facilitation role which is the one-stop-shop. What we will do is, we will assign maybe case officers. So there will be people in different sectors that specialise in those sectors so they will be the first step. Then we have also created an Investment Facilitation Committee which is headed by PS for the Ministry of Commerce, Trade, Tourism and Transport.

What happens is, if there is project issue, we bring all the departments and we facilitate it, so those mechanisms will still be in place. We might enhance it through our services, or we might bring in new technologies to make it easier. They will continue to have those services available to them.

HON. M.D. BULITAVU.- It is very good when you go into the promotional role but as investors come in, the approvals and the red tape, those are some of the things that sometimes affect their confidence.

MR. K. CHETTY.- I totally agree. In the new role, I think investment facilitation will become our core role and we will ensure that the journey is smooth and people that are already involved in registering will have more manpower to be diverted towards that. That is the whole purpose.

MR. CHAIRMAN.- Thank you. In the Bill itself, I believe there is a transitional period. Can you further elaborate on what this transitional period would be?

MR. K. CHETTY.- Thank you, Mr. Chairman. In terms of the transitional period, currently a number of investors hold FRCS and they have certain restricted activities. Some of them are, for example, investing in a restricted activity that they require certain investment requirements. So, I think the transition period will allow them to shift from the current law that is in place to a new law which will allow them to really understand the new rules and regulations, et cetera.

I am not sure of the timeframe. Most likely it will be a year or more than one year for them to move into that but when the new investors who are coming in will follow the new laws. Since we have all these reserved and restricted activities, that is the reason for the transitional period, for people to really understand where they do fall in.

MR. CHAIRMAN.- Do you capture in terms of the dollar value investment that has actually come from foreign investors?

MR. K. CHETTY.- We do capture all those information, we keep all those indicators but with the new transition, we will be moving that a bit further. For example, we will talk about talent upskilling, technology transfer, all those things, we do not measure at the moment. We just measure the value, but I think with FDI and where trade is, a lot more are expected to come into the economy that we might have to measure. So, we currently do measure both, domestic investment and foreign investment.

Thursday, 3rd March, 2022

MR. CHAIRMAN.- Since there are no other questions or clarifications, are there any final comments from Investment Fiji?

MR. K. CHETTY.- Thank you. Perhaps, I will get the team also to say something but from our side, as I have mentioned, this Bill is an important legislation. During this time with COVID affecting the economy globally, foreign investment as well as domestic has shrunk. The capital available has also shrunk, so this has allowed us to really tap into important opportunities that will make a difference to the economy. So that is my final comment. I will get the team to say anything they want to add.

MR. L. DYER.- Thank you, Mr. Chairman, and honourable Committee Members. Just to add on further, in terms of the earlier comments as asked by honourable Bulitavu in terms of his questions, apart from the experts, we also work with the domestic investors in terms of connecting them with foreign investors - ready projects that are on the ground. Some foreign investors, when they come into the country or approach Investment Fiji, they want to link with some of the investors that are already on the ground. So that also is part of our services to connect with the ready projects on the ground.

MS. C. BENTLEY.- Thank you. I just want to repeat what our Acting CEO has said, how important it is to actually shift from regulatory and promotion to a promotion agency because as he mentioned, we are all fighting for the same investment globally. So, if we are able to attract them with more of our resources focusing on promotion and facilitation and not so much regulatory, we would be able to attract the most efficient investment.

MR. CHAIRMAN.- Thank you very much to the team from Investment Fiji for doing the presentation before the Committee, it is very helpful indeed.

We shall now adjourn for 15 minutes before we go into Committee deliberation. Thank you all and thank you to the viewers as well who are watching us live through Walesi platform.

The Committee adjourned at 11.16 a.m.

The Committee resumed at 9.55 a.m.

Interviewee/Submittee: Fiji Commerce & Employers Federation (FCEF)

In Attendance:

1. Mr. Vinay Narsey - President
 2. Mr. Kameli Batiweti - Chief Executive Officer
-

(Mr. Chairman welcomed everyone – honourable Members of the Committee, the submittees - representatives from FCEF and viewers watching from the comfort of their homes)

MR. CHAIRMAN.- The FCEF will be presenting on the Investment Fiji Bill 2022, Bill No. 5 of 2022. Before we get into the submission-proper, I would like to actually take everyone through the Bill so that our viewers get to know what the submission is all about and what the Bill is all about, so that they can understand once the submittees present their submission.

As everyone might be aware that in June last year, the Parliament of the Republic of Fiji passed a legislation basically known as the Investment Bill which later became the Investment Act. Once it was passed by Parliament, in order to implement that particular Act, we had to form a body-corporate which is going to actually implement and ensure that the Investment Act is fully implemented.

The Investment Fiji Act was first passed by Parliament way back in the 1980s. Due to the changing of environment and everything, we had to modernise our Act so that the office can be reformed and we can adapt to the new environment of doing business and ease of doing business, especially for the investors.

Another very common objective that is actually imposed on Investment Fiji through this Bill is to set out the mandate and function of 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.

Prior to this, there was a lot of focus on foreign investors but this new Bill that will actually become an Act after getting passed in Parliament, will actually ensure that Investment Fiji works very closely with foreign investors as well as domestic investors.

While we are working on the foreign investors to ensure that foreign exchange comes into the country, Investment Fiji needs to work very closely with domestic investors to ensure that export also increases. For any economy to grow, we need foreign investment to be coming in and one of the best ways to do that is through exports. So Investment Fiji's new mandate would actually be to ensure that there is close collaboration between foreign investors and local investors.

We have been going around Fiji collecting submissions. There has been some very fruitful submissions coming in. There was a lot of appraisals with regards to the Bill itself, that these changes were needed so that even domestic investors can actually go to an office and ensure that ease of doing business is there, they can go to one office and under one roof they can get their business registered, et cetera.

The other thing that we actually need to iron out through this Bill is to ensure that bogus companies do not come to Fiji to invest. On paper, there have been a lot of companies that have

actually been trying to come to Fiji, so we need to strengthen our law so that we can do a good background search on those companies, especially foreign investors trying to come and invest in Fiji.

We have seen in the past that some foreign investors tried to come to Fiji and invest, and they tried to take 100 percent loan from local banks and then invest. If we are talking about foreign investors, we need to ensure that foreign currency comes into Fiji.

Another common example is that, some of those people who are coming as foreign investors, after doing everything at the end of the day will ask, "What is the grant that is going to be given by the government if we are going to invest \$2 million or \$5 million in Fiji?" So, if you are an investor, we do not actually expect you to be asking for grants. Those are some of the bogus companies that try to turn and twist the laws around to ensure that it benefits them at the end of the day. So that is the gist of the Bill - that we need to modernise our Investment Fiji Bill.

I will now give the floor to the members of the Committee to introduce themselves and then get the representatives from Fiji Commerce and Employers Federation (FCEF) to introduce themselves and do their presentation. Thank you.

(Introduction of Members of the Committee)

MR. V. NARSEY.- Thank you, Mr. Chairman. Through you, it is a pleasure to be here on behalf of FCEF. I am Vinay Narsey, the President of the Federation and I look forward to presenting our submission today.

MR. K. BATIWETI.- Thank you, Mr. Chairman. My name is Kameli Batiweti and I am the Chief Executive Officer (CEO) of FCEF and I am here to support the President of FCEF. Thank you.

MR. V. NARSEY.- Mr. Chairman and Honourable Members of the Standing Committee on Justice, Law and Human Right Rights, it is a pleasure to be given this opportunity to come and present on an important Bill. As FCEF, we are a federation, a partner for building economic activity and trade in Fiji and we see this as an important Bill to discuss.

We obviously represent quite a large number of employers in Fiji, large number of investors - foreign and domestic. We have been around for about 61 years so there is a lot of history and we feel privileged to be acknowledged in that form to come and do our presentation today. So, without taking too much time, I would like to get into our submission.

Mr. Chairman and Honourable Members, FCEF supports the Investment Fiji Bill 2022, Bill No.5 of 2022, and I would like to share the following comments. Our view is that, Investment Fiji, amongst other things, work on marketing Fiji to attract the right type of investors, who will make an impact in Fiji in creating a lot more employment opportunities and create a lot more contribution towards the economy. As rightfully said, if we do not get the right, sort of, investors then you will not see much economic activity from them. There will be a registered company on paper but not really doing much on the ground.

The second being to market, the exporters of Fiji to the international markets to enable the exporters to be able to gain recognition to export Fijian-made products to the international markets. So, we thank the Government for the initiative in the Fijian Made Campaign which has gained a lot of momentum since its initiation. We have certain level of businesses that apply and get accredited in that Campaign, and I think it is a testament to what Fiji can grow, produce, craft and things of that sort.

Moving on, we feel that Investment Fiji be provided with the support and resources to provide aftercare services to investors and exporters. There are times when other agencies within the framework make it difficult for investors and exporters to realise their potential. Rather than finding a solution, these agencies put up obstacles that increase the cost of doing business and drive investors away.

Mr. Chairman and Honourable Members, FCEF feels that all parties work together for the good of the economy, the people and the environment. Therefore, Investment Fiji plays an important part in harmonising this relationship with all parties by providing the aftercare service. That is a very important element that needs to be kept in mind.

To attract more investors, Investment Fiji needs to be given the authority to advocate for better policies and to be able to provide a platform where they can provide decent incentives.

Leading on, Investment Fiji be adequately funded to be able to carry out its role as a promotional agency. Being the driver of investment for both, foreign and domestic investors, they should remain a priority. I think as honourable Dr. Govind mentioned, local or domestic investors are a very important backbone of the Fijian economy as well, and I think the previous Bill, kind of, did not really give that much of prominence to the local investors. So, I think that is a good angle to take with this Bill.

During its consultative work with Investment Fiji, a lot came up on the focus on education, skills upgrade, availability of a willing workforce, better infrastructure. They were noted as investment pillars for moving the economy forward.

Investment Fiji, in its after or post care role, needs to ensure that they have resources to identify and improve on this facets of enticing investors to come and stay. Investment Fiji will need to also ensure that other agencies are all in sync with the national goals and targets for investment, and efficient and productive use of all available resources.

In conclusion, we would like to say and state that FCEF stands ready to support the Government and Investment Fiji in its new reform and through this, we hope that this brings about the much needed investment boost that Fiji currently is awaiting.

Once again, we would like to thank you, Mr. Chairman and Honourable Members, for the opportunity to come and present and through FCEF, we stand ready to be a part of any further discussions if that need arises. Once again, *vinaka vakalevu*.

MR. CHAIRMAN.- Thank you very much, Sir, for that wonderful presentation with regards to the Investment Fiji Bill. As rightfully said, now it will be mandated in the law that Investment Fiji needs to prioritise both, foreign and domestic investors in Fiji. One of the main functions that is also incorporated in the functions of Investment Fiji is with regards to Clause 6(1), and I would like to quote from the Bill:

“promote and assist foreign investors to collaborate with domestic businesses by setting up an effective investor linkage programme.”

So, we had a very fruitful discussion on this in Labasa as well whereby some investors were saying that the market is not there, like manufacturing. So, what we have seen in Fiji is that we do not mostly get involved in contract manufacturing which is an opportunity that we should tap on to because there are lot of big investors sitting there, looking for people who can do contract manufacturing for them. That can actually see that if our local manufacturers are able to link with

these companies, for example, a company sitting somewhere in Asia that is doing massive export of a particular product, they can link to a particular manufacturer in garment factory and they can do contract manufacturing for them. That is the way to go, I believe. They do not have to come and set up their own manufacturing firm in Fiji and compete but rather go into contract manufacturing. That is another thing that the Bill is going to ensure that, that linkage is there.

The other thing the Bill is going to talk about is the directions by the Minister and Cabinet that Government is going to give directions to the Board as to which side the Investment Fiji needs to go. For example, at the moment, we do not have pharmaceutical industries in Fiji. Government might tell Investment Fiji that they need to look for potential investors in the pharmaceutical industry or in medical field that can come and set up hospitals here. So, those are some of the directions that are going to be given to the Board itself for Investment Fiji, so directions are going to come directly from the Government.

Then there are people who actually seek this kind of investors to invest in a particular industry that does not exist rather than bringing in investors and creating more competition and then exporting. So, those are some of the things that the Bill will now encompass once it becomes an Act. I will open the floor now for Members if they have questions or want to seek clarifications from you.

To the representatives from FCEF, is there any specific Clause that you would like to see changed in the Bill, or you are alright with the Clauses of the Bill?

MR. V. NARSEY.- Thank you, Mr. Chairman. We have been through the Bill and a bit and a part of our submission was based on that. I think we, kind of, focussed on the mandate and the functions that the Bill was going to work on.

Obviously, the other elements of the Board composition and the conduct of the Board like meetings, functions and all that, they seem in order. We did not have anything in particular but we represent the employers on the whole scheme of things, that if investment become easier, then we obviously see more throughput through Fiji and it will create more employment.

As we all know when a country becomes productive, automatically you have everything else that turns with that same will and their contribution becomes greater. So, yes, we did not have anything that we thought needed changing in that Bill, Mr. Chairman.

MR. CHAIRMAN.- Thank you. Honourable Members, any further comments?

HON. M.D. BULITAVU.- Through you, Mr. Chairman, I am really happy with what you have shared on the aftercare provisions and how that will assist in creating incentives among investors, as you have said. Do you see that as a measure that will encourage confidence in investors investing more in the economy with those kind of packages?

MR. V. NARSEY.- Thank you, Honourable Bulitavu. The aftercare element is a very important part also because investors will come in to invest money but they would have done their due diligence before they can come through. But an investor for continuity would always like to ensure that certain pillars are in place which are strong. They become the backbone of that investor's performance and that, obviously, comes through our systems and what we have identified is we need to identify them beforehand so the areas that Investment Fiji would need to, kind of, include in their KPI in terms of what they need to look at in terms of aftercare, what are the elements that are important to that investor. So, that would be for Investment Fiji's Board to identify what key areas that they are going to look at. *Vinaka.*

MR. CHAIRMAN.- I believe one of the major changes that is coming with regards to the old Act and this new Bill that is before us is that Investment Fiji will not be a regulator. They are going to be a promotional agency so they need to promote Fiji as a place where investors can come and invest. It used to be a dual role and being a regulator and then trying to promote Fiji is actually in line with what Tourism Fiji is basically doing.

They are not a regulator but they are just promoting Fiji as a tourist destination. Investment Fiji will be promoting Fiji as an investment destination where people can come and invest and once we do find a potential investor, either domestic or foreign, then it will be their responsibility to ensure that they do not have to go through all bureaucratic processes - going to five or six different agencies to get the certificate.

Definitely now, Foreign Investment Certificate is not part of the mandate of Investment Fiji so they will not be issuing the certificate but they will actually ensure that the process is well explained and wherever possible, they will help foreign investors to get those requirements through in order to get a certificate, so the Bill basically promotes that.

The new mandate of Investment Fiji would be to do investment promotion, investment facilitation, export promotion, aftercare, policy advocacy and image building. Those are the new mandates of Investment Fiji.

MR. K. BATIWETI.- Thank you, Mr. Chairman. Just from a private sector perspective, the industry you spoke about - the health and medical industry, is an important one. Currently, a lot of our patients go to India, New Zealand, et cetera, and pay big money to go there. With Non-Communicable Disease (NCD) being something that is big now in the Pacific Islands, Fiji could become a medical tourism destination where we invest in hospitals, as you correctly pointed out.

Aspen Medical is a good example of one that is coming on board. I think we need to invest more. There are places around Fiji that we can build hospitals, like in Nakorotubu in Ra, the beaches are beautiful. You build a hospital that is like a resort-type because when those patients come, they do not come alone, they come with their doctors, their spouses, so there are opportunities to run a resort-type of hospital for aftercare, et cetera. That was a great example by you, Mr. Chairman.

There is the other industry that is now gaining a lot of traction in Fiji, that is the Business Process Outsourcing (BPO) industry. We used to know it as the call centre in the past, but it has now evolved into the other functions. One of the functions now is accounts receivable. In Australia, for them to hire an accountant at entry level, it will cost the company AU\$70,000 to get an accountant there. So for Fiji, our numbers is 25 percent of that amount, but in Fijian dollars.

The Australian businesses are now beginning to realise that it is in their best interest to now send that part of their business into Fiji. So they are setting up a lot of BPO industries now in Fiji. There is one Pacific Intercom, BTR in Nadi, one latest one is Bula Outsourcing, which is great initiative. He said, "Kameli, I am just starting with three and then in a month, we have grown our numbers to ten. I am confident by the end of the year, there will 300 employees", so the business in Australia is worth US\$38 billion. So the Board of BPO Council they are targeting five percent which is US\$1.9 billion (FJ\$3.8 billion). That is money that we never had before coming into our economy. So how do we massage or aftercare that stuff that attracts? How do we make ourselves look very attractive, to attract them to come in?

Just a final one, you talked about contract packing and Fonterra in New Zealand is a huge producer of milk that they export to China. So that is a great opportunity for us to speak with Fonterra, if they want to contract pack and just like the textile people who sew all these rugby jerseys

under the Australian brand, but it is a Fijian made. No one knows it is Fijian made, but the money comes to Fiji.

You are correct, Sir, in contract packing, milk is a bad example but there are many other examples of contract packing where we work together, public-private partnership to try and attract the manufacturers. They know some other manufacturers in the world that they can tell them, "Come and contract pack here. We have got factories here that can do that." I know of some of the companies now, their sister companies are in Australia and they are now doing some of the pack house businesses here in Fiji where previously they had two accounts receivable officers, they now have increased it to five – 10 accounts receivable officers. So our children who are graduating from USP, FNU and University of Fiji are now being employed through this kind of process. It is how we set this up to make it look attractive and exciting.

As the President said we strongly support your effort in pushing this Bill through because we know that the benefits that will come out of it will help us reap a lot of things that will benefit not only Suva, but all the citizens of Fiji. Thank you, Sir, for the opportunity.

MR. CHAIRMAN.- Thank you very much, Sir. Another thing that just came into my mind is that the Government, for the past couple of years, had been promoting places which can be promoted as tax free holidays for five years to seven years and even that can be renewed. For example, now with Investment Fiji coming in, they can actually direct this investment to go to those places, like from Korovou to Rakiraki and places in Vanua Levu. There are a lot of other places, so foreign investors coming in can go and start a business there. So those are some of the great opportunities that come with this particular Bill itself.

HON. RATU S. MATANITOBUA.- (Inaudible)

MR. V. NARSEY.- Just adding on from what our CEO, Mr. Batiweti, mentioned, there are linkages that can be made. I think last or maybe a couple of years back, Government announced that there is an incentive to start up aged-care facilities. Now, through the Pacific Labour Scheme, we have been sending a lot of our people to take up those jobs as caregivers.

Recently at a lunch at the Australian High Commission, I heard that the Australia Pacific Training Coalition (APTC) is running caregiving courses and once they get certified, they are being sought after in Australia. Fijians are known to be good caregivers so what is happening indirectly is, we have knowingly created a pool of specialised skill in aged-caregiving. So if we link what Mr. Batiweti said in terms of medical tourism, we have got that corridor which is destined to be a tax holiday or tax-incentivised area, if we, aged people need medical care.

If we have a medical facility that sets up together with an aged-care facility and a good operator running, for example, in Australia, if we can entice them to come and do the same sort of thing here, I think we would not have any issue with people because once our people have done their contracts, they would be happy to come back and contribute. A recent article got published in Australia that in a few years' time, they will run out of aged-care facilities as Australia has a very high number of aging population, so they would not have enough aged-care facilities. Those are the things that through our promotional agency, we can start running this. We have a structure set and through Investment Fiji, we can start promoting these things.

I think, this is the ideal platform that we need to take. On a personal note, I have always believed that we should not look at doing too many things but let us hone our skill where we need to. Through Investment Fiji if we can identify three or four different facets of investment, we should just

go out and spend money on that, rather than looking at doing 20 different things. So that is just a comment, Mr. Chairman. Thank you.

MR. CHAIRMAN.-Thank you, Mr. President. I think about four or five years ago, Government actually came up with an initiative of anyone wanting to set up a retirement village. But the only reason that was held back and no one was investing because we did not have that kind of medical care. Now with Aspen coming on board, we will have a top notch facility at Lautoka Hospital.

Majority of the people who wanted to come and retire in Fiji were from Australia. Aspen coming on board will actually give a branding that extends Australian companies from there onwards, people can then start to set up retirement villages. There were a lot of initiatives brought up by Government but the only reason this did not flourish was because we did not have a medical facility. Also, because people were concerned that if they come to retire, definitely they would need good medical care to be provided to them. So with that, I think we are already in line as things are actually moving in the right direction. A retirement village is one lucrative places where people seem to come and invest in Fiji and it is because of the lifestyle, et cetera.

MR. K. BATIWETI.- Thank you, Mr. Chairman. The last thing that crossed my mind was the infrastructure. I know Vanualevu has great potential in a lot of things. So if manufacturers were to come and set up in Vanualevu, it will be much cheaper for them to come and set up but the only thing is the ports. Rather than shipping from Vanualevu to Suva and then tranship from Suva to New Zealand to Australia or to the world, if we could consider setting up a big wharf there so that these big ships just pick up from there, one route.

Who says that Vanualevu route will not become bigger than Suva? In time to come, the manufacturing hub moves to Vanualevu and if you set up an international airport in Vanualevu, the tourism in Vanualevu is picking up. I saw a picture on Nawi Island, that is huge. That is a huge investment. Right now, they are flying into Nadi, transshipping to Savusavu, so it is costing them. So, just some thought, I thought of just adding that.

There are lots of opportunities that is out there but like what the President Mr. Narsey said, we need to select the low hanging fruits that are important. So, I will leave with something that I had learnt as a Storeman about 40 years ago and that was the Pareto analysis where 20 percent of stocking your store costs 80 percent, so that is where you focus. So in investment, they just look at the 20 percent that will bring us the biggest earnings. So thank you very much, Mr. Chairman and Honourable Members of the Committee for giving us the opportunity.

MR. CHAIRMAN.- Thank you. Since there are no other questions or clarifications, we will request honourable Sharma to thank the submittees.

(Vote of Thanks by Hon. R.R. Sharma)

The Committee adjourned at 10.30 a.m.