

Ministry of Commerce, Trade, Tourism and Transport

ANNUAL REPORT

2020-2021

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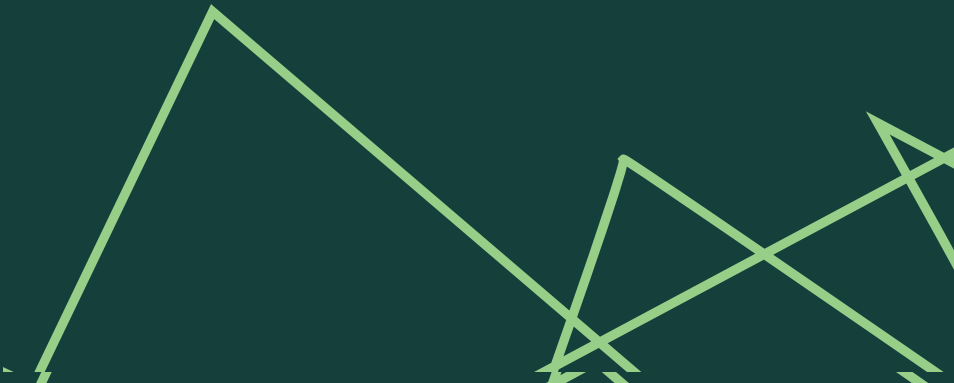
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LETTER TO THE HONOURABLE PRIME MINISTER

20 November 2024

Honourable Sitiveni Rabuka
**Prime Minister and Minister for Foreign Affairs, Civil Service and
Public Enterprises, and Information**
4th Floor, New Wing,
Government Buildings,
SUVA

Dear Honourable Prime Minister

ANNUAL REPORT 1 AUGUST 2020 – 31 JULY 2021

I am honoured to submit, on behalf of the Ministry of Commerce, Trade, Tourism, and Transport the combined performance report of the Ministry for the period 1 August 2020 to 31 July 2021.

Yours sincerely

Hon. Manoa Kamikamica
**Deputy Prime Minister and Minister for Trade, Co-operatives, Micro, Small and Medium Enterprises
and Communications**



FOREWORD FROM THE PERMANENT SECRETARY

As the Permanent Secretary for Commerce, Trade, Tourism, and Transport, it is my privilege to present this Annual Report for the financial year 2020–2021. This report serves as a testament to the Ministry's resilience and unwavering commitment during one of the most challenging periods in our nation's history.

The 2020–2021 period was defined by the global COVID-19 pandemic, which tested our social and economic fabric. It demanded innovative approaches and decisive action to mitigate its impact on Fiji's economy, businesses, and people. Throughout this unprecedented time, the Ministry played a central role in driving recovery efforts, ensuring that the foundations of commerce, trade, tourism, and transport remained strong and adaptive.

Key achievements over the past year include the implementation of COVID-Safe protocols, the establishment of the Luxury Vacation in Paradise initiative, and the introduction of the COVIDPass Portal—innovative solutions that balanced public health with economic activity. These measures not only sustained critical sectors but also showcased Fiji's ability to adapt to evolving challenges with agility and foresight.

We made significant progress in supporting businesses, particularly Micro, Small, and Medium Enterprises (MSMEs), through targeted policies and programs aimed at fostering resilience and growth. Our efforts in trade have expanded market access and strengthened international partnerships, while initiatives in tourism, such as the "Love Our Locals" campaign, sustained domestic demand and preserved jobs.

The Ministry has also championed infrastructure development to enhance connectivity and facilitate commerce. From improving transport networks to driving investment

in the Navutu Special Economic Zone, we are laying the groundwork for a diversified and robust economic future.

I extend my deepest gratitude to our dedicated team, stakeholders, and partners whose collaboration has been pivotal in achieving these milestones.

The Ministry remains steadfast in its mission to support economic recovery, foster sustainable development, and enhance the livelihoods of all Fijians.

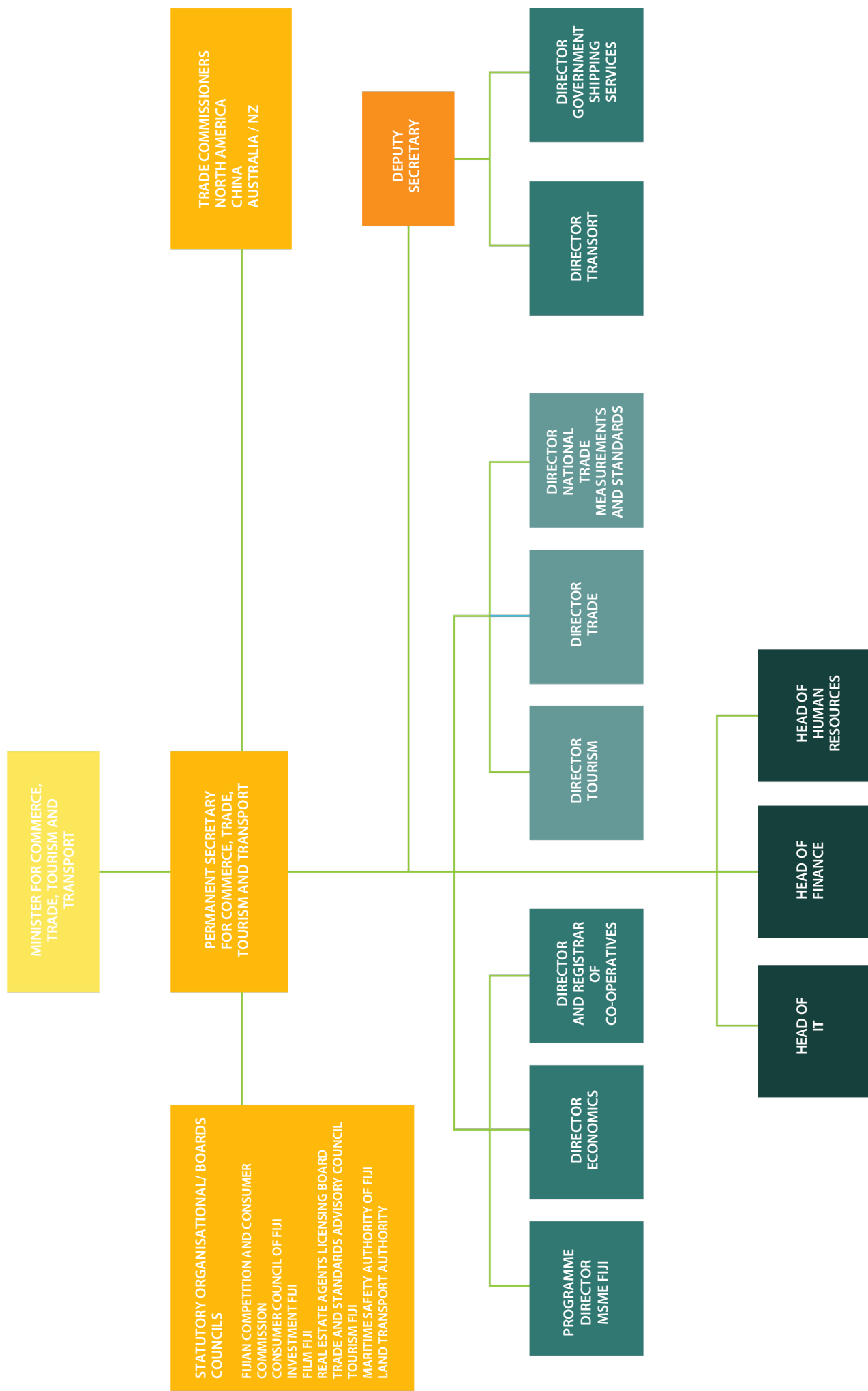
As we look ahead, we are inspired by the resilience and innovation demonstrated by our people and remain committed to building a vibrant, inclusive, and prosperous future for Fiji.

Vinaka vakalevu.



Shaheen Ali
Permanent Secretary
Ministry of Commerce, Trade, Tourism, and Transport

ORGANIZATIONAL STRUCTURE



The background features a dark teal color with abstract, light green geometric lines. These lines form various shapes, including triangles and polygons, some of which are nested or overlapping. The lines are thin and create a modern, architectural feel.

HIGHLIGHTS FOR THE YEAR

COVID-19 ECONOMIC RECOVERY

FIJIAN COVID-SAFE ECONOMIC RECOVERY FRAMEWORK

Post first wave, the COVID-19 Risk Mitigation Taskforce (CRMT) continued its efforts to fuel economic recovery under the COVID-Safe Economic Recovery Framework.



Through careful assessment of applications received under the Blue Lanes, Specific Request under Significant Economic Value and cases under Fijian Citizens, Permanent Residence and Other Permit Holders, the CRMT approved more than 1,500 travellers to enter Fiji.

ROLL-OUT OF LUXURY VACATION IN PARADISE

As part of Phase 2 of the Framework, the CRMT introduced the “Luxury Vacation in Paradise” initiative in partnership with Fiji Airways and the Fijian tourism industry.

The overarching approach of Luxury VIP is to allow tourists to safely enter and holiday on private islands in Fiji – with the quarantine period being part of the Fijian holiday experience.

The following applications had been processed for the financial year 2020-2021:

Passengers and Crew approved under Blue Lanes	719
Individuals approved under Significant Economic Value	655
Individuals approved under Luxury VIP	109

Table 1: Applications processed by CRMT

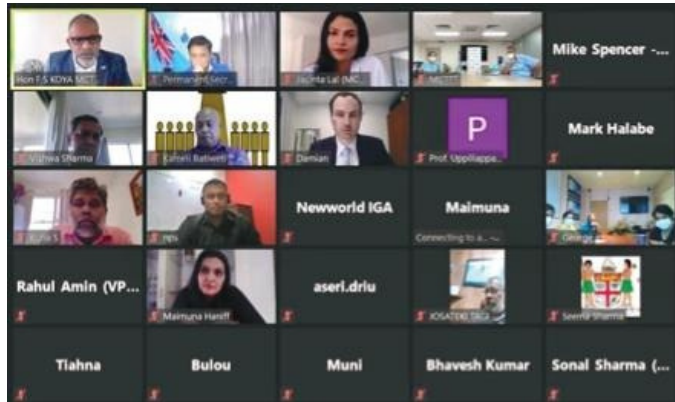
TOURISM RE-OPENING

With the success of Fiji’s vaccination roll-out, the Fijian Government in consultation with Fiji Airways and the Fijian tourism industry, intended to re-open travel and tourism by December 2021.

A working group was formed with key agencies, including Fiji Airways, Fiji Hotel and Tourism Association, Tourism Fiji, Ministry of Health and Medical Services (MHMS) and the Ministry supported by the CRMT—to safely re-open Fiji’s international borders. Continued support was also provided by the Tourism Recovery Team to develop Fiji’s entry conditions.

BUSINESS RE-OPENING

Following the COVID-19 pandemic and the implementation of restrictions, the Ministry worked closely and held consultations with various Associations and Peak Bodies such as the Suva Retailers Association and Fiji Chamber of Commerce and Industry to minimise the impact of the COVID-19 pandemic on the Fiji economy and to facilitate the continued operations of businesses with the strict adherence to COVID safe protocols.



Zoom Call with Private Sector stakeholders

With the establishment of containment areas to curb the transmission, the Ministry led the facilitation of movement of essential goods and services to ensure basic goods and services were made available to Fijians.

Noting the hub of manufacturing and source of food is Viti Levu, the Ministry established the COVIDPass Portal to ensure businesses continue to safely move essential goods during the pandemic. The portal was completely paperless and contactless process in receiving applications and issuing approvals, in line with best COVID safe practices and environmentally friendly. Regular consultations were held with the Fiji Commerce and Employers Federation, Textile, Clothing and Footwear Council, Construction Industry Council, Business Process Outsourcing Council, Fiji Chamber of Commerce and Industry and Fiji Hotel and Tourism Association to name a few as Fiji headed into lockdown in April 2021.

The Ministry virtually met industry representatives from over 40 private sector businesses to strengthen safe business continuity. Led by the Minister for Commerce, Trade, Tourism and Transport, the discussion included COVID safe business operations and business continuity.

The Ministry had launched a dedicated COVID Business phone line - 163 to assist and effectively respond to queries on COVID safe protocols and provide business advisory services. A collective initiative was undertaken within the Ministry to respond to up to 11,352 calls. The Ministry assisted over 10,000 businesses to facilitate the essential movement of goods and personnel, curfew passes, permits to operate and allow businesses to operate or re-open safely. In consideration of re-opening businesses, the Ministry introduced COVID safe protocols for businesses. In the effort to ensure compliance, the Ministry had also engaged in extensive consultations with the Government consultations to seek private sector views. This consultation positively fed into policy formulations.

LAUNCH OF COVIDPASS PORTAL

COVIDPass was a convenient, one-stop shop for all the necessary approvals required for businesses to operate in well managed COVID-Safe ways, including the movement of goods and personnel during curfew hours.

“Through COVID-pass, the Ministry is taking a health-first approach, we hope to see this adopted widely by the business community. The approval process is all online, that means no queues, no crowded spaces, and no need for users to leave the safety of their homes. That’s the sort of operational thinking we hope to see in business applications, where possible,” Shaheen Ali.

ESTABLISHMENT OF COVID SAFE PROTOCOLS

Furthermore, the Ministry, in collaboration with the MHMS, developed various protocols to guide businesses and individuals to adapt to the 'new normal'. The following protocols were introduced:



Essential Business and Industry Support Services List



Protocols for COVID-Safe Business Operations



COVID Safe Protocols for Special Approved Businesses



Protocols for Safe Operations of Hairdressing Services



Protocol for COVID Safe Retail Operation



Protocol for Cartage of Goods - Land Transport for Viti Levu Only between/outside Containment Zones

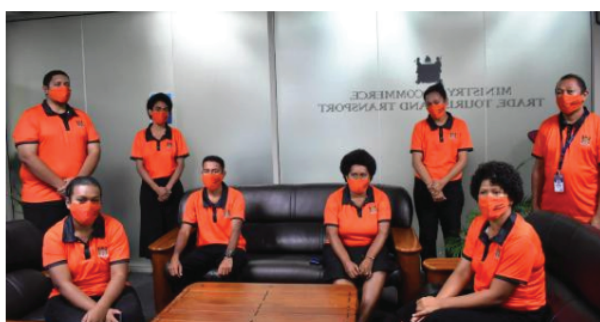


Protocols for Movement of Trucks and or Cargo on Board Vessels (RoRo and Conventional Vessels) to the Maritime Islands

COVID SAFE AMBASSADORS

The Ministry has introduced the COVID Safe Ambassadors (CSA) Programme to advocate adherence to COVID safe measures. These Ambassadors will work with businesses to become COVID safe and prepare for the long term.

Together with the Fijian Competition and Consumer Commission (FCCC), MHMS and Fiji Police Force, these Ambassadors closely observe and advise businesses on mandatory minimum parameters for safely operating businesses. Additionally, they ensure that COVID safe measures and to and solutions.



COVID Safe Ambassadors in the Central and Western Offices

ECONOMIC UNIT

The Economic Unit at the Ministry of Commerce, Trade, Tourism and Transport is responsible for formulating, implementing, monitoring and reviewing policies, initiatives and projects, to enhance private sector development in commerce, industry, Micro, Small and Medium enterprises (MSME), investment, services, competition and consumer protection



The Unit's key focus was COVID-safe re-opening of businesses and working closely with the private sector and their associations to inculcate these practices in businesses for the long term. The Unit oversees two statutory organisations: Consumer Council of Fiji (CCoF) and the Real Estate Agents Licensing Board (REALB) and is also responsible for providing policy advice and administrative support to its stakeholders, both within government and externally.

PROMOTE THE PRODUCTION AND CONSUMPTION OF FIJIAN MADE GOODS AND SERVICES

The Fijian Made–Buy Fijian (FMBF) Campaign supports Fijian manufacturers and producers and by promoting Fijian made products and produce both domestically and abroad. In the 2020-2021 financial year, the FMBF Campaign remains an important marketing strategy for businesses to continue to promote and advocate to buy Fijian Made products. The Ministry also encourages more manufacturers and producers to join the FMBF Campaign. Due to the strict adherence of COVID safe measures, the Ministry undertook limited physical promotional activities to create awareness of the FMBF Campaign. However, the Ministry was able to successfully participate and promote the campaign at the following events: USP Fair; World Maritime Day; Fiji Festival, Thurston Garden and Fiji Day.

In this financial year, a total of 555 products were registered under the Campaign a significant increment compared to the 139 products registered the previous year. A total of 77 businesses were licensed to use the emblems on their products, out of which 23 were new businesses and 54 were renewal applications. Of the licenses which were issued, 30 were given to MSMEs registering 180 different products under the Campaign.

The FMBF Facebook page also remains one of the largest in Fiji, registering over 270,000 followers throughout the year. This provides a major platform on social media to market excellent Fijian Made produce.

AUDIO – VISUAL AGENTS LICENSING

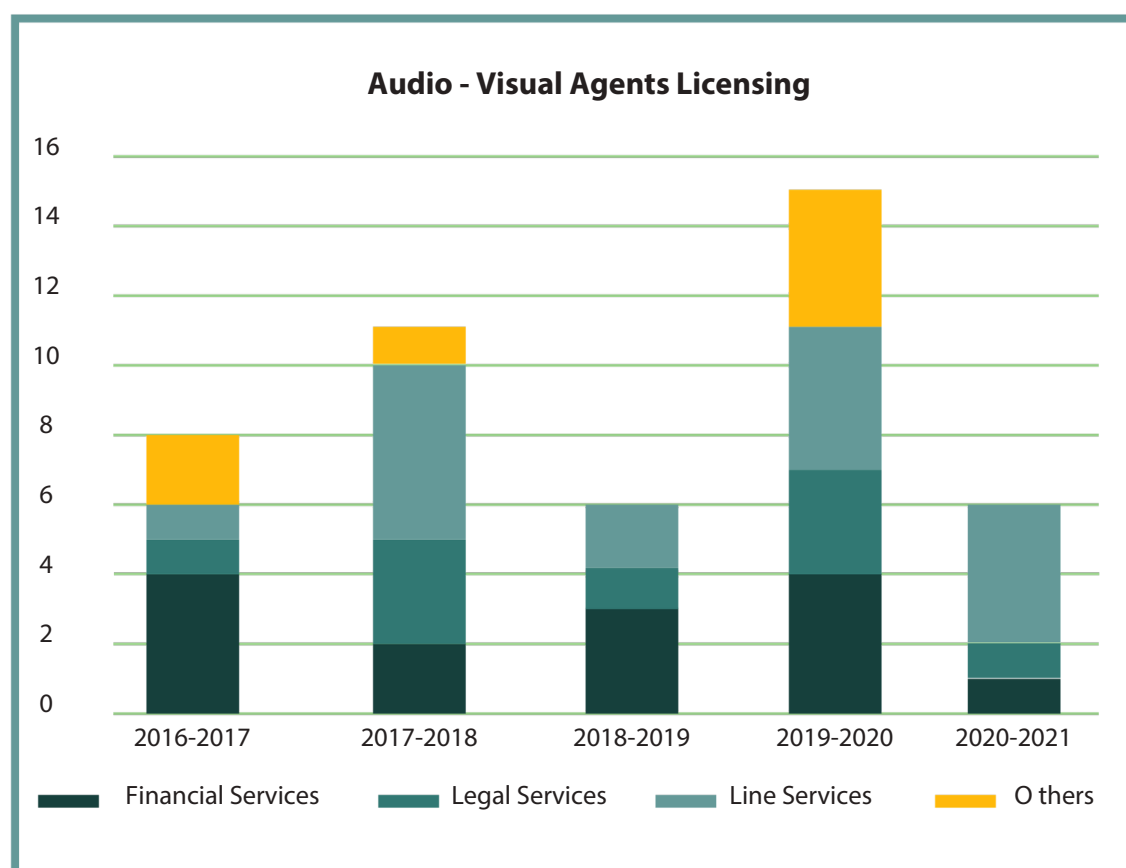
The Audio-Visual sector is a priority area for Fiji as the sector increases investment and interest in audio visual productions in Fiji.

There were a total of 6 audio-visual licenses granted in the 2020-2021 financial year to companies wishing to assist film productions by providing various services ranging from financial and accounting services, accommodation to medical and legal advisory services.

This brings the total number of active audio-visual agent's licenses to 17. These audio-visual licensees have worked on substantial international film productions such as Survivor US and the new World's Toughest Race: Eco-Challenge Fiji.

The outbreak of COVID-19, restriction of movements and the closure of borders has a tremendous impact on the Audio-Visual sector and the production of film activities in Fiji. The Ministry, which is part of the COVID-19 Risk Mitigation Taskforce (CRMT), works closely with all stakeholders to welcome film productions to Fiji in a COVID-safe manner, ensuring the protection of the Fijian population and contributing towards economic recovery. In this financial year, 4 film and television crew and cast were approved by CRMT and Survivor adhering to all COVID safe measures shot seasons 41 and 42 in Fiji.

TOTAL AUDIO-VISUAL LICENSES APPROVED



Graph 1: Total Audio Visual Licenses Approved

SCRAP METAL DEALERS LICENSE

The Ministry continued to regulate the Scrap Metal Trade in Fiji, particularly trade of non-ferrous metal. It is mandatory for businesses to obtain approval from the Ministry before convening the sale of non-ferrous metal or public infrastructure metal. This regulation is in place to address the theft and illegal of 'public infrastructure' metal being sold as scrap metal.

The Ministry renewed the license of 6 Scrap Metal Dealers and granted 10 Special Approval to Sell Non Ferrous/ Public Infrastructure Metal.

STANDARDISED ROADSIDE STALLS

The Standardised Roadside Stalls programme continued to empower grassroots communities by assisting recipients to market and sell their produce in a hygienic and well-structured stall. Since inception, the Ministry provided a total of 102 permanent stalls of which 83 stalls are along the Kings and Queen Highway of Viti Levu and the remaining 19 in Vanua Levu.

In this financial year, the Ministry undertook the first-ever Public-Private Partnership collaboration with organisations and individuals to sponsor roadside stalls. In this regard, the Ministry thanks the Indian High Commission for their valuable partnership to construct two (2) new stalls.



PRIME MINISTER'S NATIONAL YOUTH AWARDS

The Prime Minister's National Youth Awards (Awards) was launched on 13 December 2019, with the aim to reward young Fijians who have demonstrably excelled in different fields of developmental endeavours and social services.

A total of nine (9) Award Categories with the criteria with the main award, the Youth of the Year Award, was advertised through various media platforms.

The Judging Panel consists of seven (7) Judges representing the Fijian Government, private sector and civil society. The Ministry of Commerce, Trade, Tourism and Transport is the Secretariat to the Panel of Judges for the Awards.

A total of 157 applications were received, however due to the impact of COVID 19 the awards were put on hold.



SPECIAL ECONOMIC ZONE

Wairebetia Economic Zone

The Ministry successfully concluded the prerequisite works needed for the development of the site. These were the pre-construction works that would determine what all would be needed to make the site development-ready, resource-wise (i.e. ensure site was feasible for construction phase). The topographical survey for the allocated site was accomplished with the support of the Ministry of Lands and Mineral Resources.

Navutu Economic Zone

The Ministry procured services from Architects Asia Pacific Incorporated (AAPi) as the Master Planning consultant for the Navutu SEZ. Given this, the precinct plans and artistic perspectives are under review. The finalised master plan of the SEZ would later be circulated for investor awareness. The Navutu SEZ is a project of national interest as a recovery strategy post-COVID-19.

COMPETITION AND CONSUMER PROTECTION POLICY AND LEGISLATION REFORM

The Ministry via stakeholder consultation has successfully developed the Competition and Consumer Protection Policy to reinforce economic development and ensure steadiness between the consumers and traders. Alongside, the comprehensive revision of the legislation (Fijian Competition and Consumer Commission Act 2010 – FCCC Act) is envisaged to contribute towards improving the performance of the competition regime. Thus, reform of the FCCC Act was initiated to assist in achieving the Government’s economic development objectives and enable FCCC to better achieve its mission.

The Ministry, as such is working with the Asian Development Bank’s Private Sector Development Initiative (ADB PSDI), who are providing the technical expertise in developing a draft bill that will ultimately amend the existing FCCC Act 2010. Noting that, the draft Bill was shared with the concerned parties, namely the Office of the Solicitor-General and the FCCC for review. FCCC also commenced larger stakeholder group consultations to ensure a holistic approach to the reform.



LANDLORD TENANCY BILL

Following Cabinet approval on 21 March 2019, the Ministry formed a Working Group with the Office of the Solicitor – General, Fijian Competition and Consumer Commission, Consumer Council of Fiji and Real Estate Agents Licensing Board to draft and develop legislation which encompasses the rights and responsibilities of the landlord and tenants in the residential rental market.

The Bill is currently being reviewed and undergoing legal scrubbing to represent the policy recommendations. The Landlord and Tenancy Act, once implemented, intends to address issues currently faced both by residential rental tenants and landlords. The Act will set clear rights and procedures for both the landlords and tenants.



FIJI INVESTMENT CORPORATION LIMITED

The Fiji Investment Corporation Limited (FICL), a Private Limited Liability Company wholly owned by the Fijian government, was incorporated in 2002. The Ministry acts as the Company Secretariat. It is responsible for the efficient administration of FICL, fulfilling the statutory obligations, preparing meeting minutes, ensuring compliance with statutory and regulatory requirements, and ensuring that board of directors' decisions are implemented.

This financial year, FICL conducted five Board Meetings and three sub-committee meetings to discuss the pertinent matters of its operation.

TRADE UNIT

The Unit's role is to formulate and implement policies and initiatives to enhance Fiji's international trade and coordinate trade and investment missions both inward and outbound. The Unit also advances negotiations to create favourable global market access opportunities for Fijian goods and services. The Unit is concurrently tasked to increase Fiji's regional and global economic integration to enhance Fiji's economic performance.

The Unit monitors the performance of five Trade Commissions, as well as, Film Fiji and Investment Fiji.

Continued efforts to advance Fiji's interests at the World Trade Organization (WTO). Fiji's preparations towards the 12th WTO Ministerial Conference (MC12) has been ongoing. The MC12, originally scheduled for 8-11 June 2020, in Kazakhstan, had been postponed to 30 November to 3 December 2021 in Geneva, Switzerland. Fiji is a member of the Pacific Group, African, Caribbean and Pacific countries (ACP), Small, vulnerable economies (SVEs) and G-90. Fiji has been working towards securing balanced and equitable outcomes in the negotiations on fisheries subsidies, agriculture, Trade Related Aspects of Intellectual Property (TRIPS) and most importantly the proposal for a waiver from certain provisions of the TRIPS Agreement for the prevention, containment and treatment of COVID-19, informal dialogue on plastic pollution and sustainable trade and co-sponsor of the statement on Fossil Fuel Subsidies Reform.

During the WTO Director-General selection process, Fiji interacted with the candidates on their priority areas and on how they would advance the work of the multilateral trading system. The process enabled the selection of Ngozi Okonjo-Iweala for the WTO Leadership role and to navigate the challenges behind the work of the WTO Secretariat. In ensuring that Fiji was a part of the selection process, Fiji intended to ensure that a change in leadership will chart a path forward for the institute, given the divergent views of members over WTO's reforms and rules, a nonfunctioning dispute settlement system, and a recent spike in unilateral trade actions that threatened the WTO.

Working with like-minded countries and key partners to continue to defend Fiji's rights and interests as a Small Island Developing State, to ensure special provisions for developing countries, including longer periods to implement agreements and commitments. This is because trade plays a vital role in the economic development of Fiji. Special and Differential Treatment provisions for Fiji will ensure that our infant industries are fostered and assist with the diversification of Fiji's industrial base, ultimately leading to sustained economic growth.

Fiji played a lead role in advancing the Pacific's interests in the WTO Fisheries Subsidies Agreement. The negotiations aim to secure an agreement on disciplines to eliminate subsidies for illegal, unreported and unregulated fishing and to prohibit certain forms of fisheries subsidies that contribute to overcapacity and overfishing, with special and differential treatment for developing and least developed countries integral to the negotiations. Despite our persistence the WTO is still struggling to deliver on Sustainable Development Goal (SDG) 14.6 by reforming global fisheries subsidies. Fisheries are important to Fiji for food security and livelihoods of the people. Hence, Fiji will not allow the transfer of the burden onto vulnerable fishing communities whilst allowing large and powerful subsidizers to continue subsidize to increase their fishing fleets' capacity. It is vital that the negotiations reflect the concerns and positions of the Pacific Island Countries to support small-scale fishers and allow for policy space to develop domestic fleet capacity to fish within our own waters.

Focus on climate-driven trade Agenda

Agreement on Climate, Change, Trade and Sustainability (ACCTS)

Fiji began negotiations on the Agreement on Climate Change, Trade and Sustainability (ACCTS) with Costa Rica, Iceland, New Zealand, Norway and Switzerland. ACCTS is an innovative trade agreement that was launched by the Leaders of Fiji, Iceland, Costa Rica, New Zealand and Norway in the margins of the UN General Assembly on 25 September 2019. Switzerland officially announced its participation in the margin of Davos in early 2020. ACCTS brings together a number of trade policy actions that will support and advance climate and sustainable development objectives. It provides an opportunity for a small and ambitious grouping of countries to deliver meaningful outcomes on these issues, with the aim of generating momentum towards multilateral action.

The ACCTS will be an “open plurilateral” agreement and will comply with World Trade Organization (WTO) rules. It will also be a “living agreement” that can be updated and take on future issues, as needed. It will be initially agreed among this subset of WTO members, and will be open to all who can meet the established standard.

Being the first-of-its-kind Agreement, the ACCTS seeks to discipline climate change through the following key areas:

- i. The elimination of tariffs on environmental goods;**
- ii. The establishment of new and binding commitments for environmental services;**
- iii. The establishment of disciplines to eliminate harmful fossil fuel subsidies; and**
- iv. Guidelines to inform the development and implementation of voluntary eco-labelling programmes and mechanisms.**

There have been five rounds of technical negotiations undertaken through videoconferencing by officials on each pillar during September 2020 to May 2021. The negotiations are conducted in the following five working groups, consisting of technical experts and negotiators:

- i. Environmental Goods;**
- ii. Environmental Services;**
- iii. Fossil Fuel Subsidies;**
- iv. Eco-labelling; and**
- v. Legal and Institutional.**

The Chief Negotiators also met during this period to reflect on the progress made and advance discussions in priority areas. The Ministry also held numerous consultations with key stakeholders such as the climate change, environment and trade policy experts, academia, private sector, regulatory agencies and international organisations to analyse the potential opportunities and benefits for Fiji and limitations of the agreement.

Fiji believes that the ACCTS has the potential to help bring together some of the inter-related elements of the climate change, trade and sustainable development agendas and demonstrate how they can be mutually reinforcing.

The ACCTS initiative compliments Fiji’s global climate action work, commitment to climate-responsive national development and leadership to tackle the greatest environmental challenges of our time. **Fiji participated at the High-level Regional Roundtable on WTO Investment Facilitation for Development Negotiations: Perspectives from Asian and Pacific Economies in March 2021.** The Roundtable offered a platform for strategic exchange on the dynamic policy discussions and negotiations on investment facilitation for development, taking place at various international fora. Foreign Direct Investment, reinvestments and domestic investments are key in keeping Fiji afloat. In 2019, investment contribution to the Fiji economy was 15.8 percent. At the Roundtable event, Fiji informed the participants about the investment related legislative reforms currently underway, which also entails a revision of the reserved and restricted list to have more fields open for exploration by foreign investors.

The Pacific African, Caribbean, and Pacific (PACP) WTO Trade Ministers deliberated upon the negotiations on fisheries subsidies agreement, whilst noting that key elements remain to be resolved. The intensification of negotiations to reach consensus on these issues was supported by the PACP Minister. Fiji as the Chair of the PACP Trade Ministers Meeting, had stressed that after 20 years of negotiations and the missed deadline of 2020 set by World Leaders in Sustainable Development Goals (SDG) 14.6, members had one more opportunity to deliver this Agreement at MC12 in December 2021, and contribute to the sustainability of global fish stocks. Supporting the Pacific's small-scale and artisanal fishing for livelihood and food security and securing the policy space needed to develop our fishing capacity in future was a priority for the Region during the negotiations.



Hon. Minister speaking at the OACPS Ministers Meeting on Fisheries Subsidies in 2021

The Chief Trade Negotiators had a series of virtual meetings in relation to the Agreement on Climate Change, Trade and Sustainability (ACCTS). During the meetings, the Chief Negotiators are provided technical updates from the working group leads on environmental goods and services, fossil fuel subsidies and ecolabelling. The trade officials also provided the meeting outcomes of the negotiating rounds and monitored progress. With this information, the Chief Negotiators have also deliberated upon specific issues in relation to the ACCTS, brought to attention by the trade officials, and provided a mandate to prepare for the next rounds.

A comprehensive review of the Pacific Island Countries Trade Agreement (PICTA) is underway, with a view to enable deeper integration of the Forum Island Countries' (FIC) economies. The review was also commissioned to support inclusive economic recovery efforts of FICs from the impact of COVID-19 pandemic and to support sustainable development. As part of this review, the PICTA rules of origin are being updated in order to provide better opportunities and flexibility to businesses to trade. The PICTA rules of origin is the criteria used to determine the national source of a product and how it will be treated. Fiji is part of the Rules of Origin Committee that was established to carry out the task of assessing the options to revise the current PICTA rules of origin. A number of recommended activities are planned as part of the comprehensive review agenda, including a product mapping exercise, to recognise the market access interest and facilitate regional trade.

A comprehensive assessment of the labour mobility programmes, including under respective trade agreements, for the Pacific region is being undertaken to establish an institutional platform for regional discussions and decision-making on labour mobility. Fiji's aim is to have a regional labour mobility body that is inclusive of all Forum Island members, and one that is not limited to a particular regional agreement or arrangement on labour mobility. There has also been an increase in Pacific labour mobility, and Fijians have found employment in occupations such as, teachers, nurses, skilled trades people, managerial positions, as well as in the tourism and hospitality industry. A biennial labour mobility symposium has been mandated by Forum Trade Ministers as a crucial step towards promoting Pacific workers in key markets and sectors.

Signing of the United States of America - Fiji Trade and Investment Framework Agreement (TIFA) The landmark United States of America - Fiji Trade and Investment Framework Agreement (TIFA) was signed virtually on 16 October 2020. Apart from being the first trade and investment Agreement signed between the United States (US) and Fiji, the US-Fiji TIFA is also the first Agreement signed by the US with a Pacific Island Country. This Agreement would act as a catalyst for enhancing bilateral trade engagements with not just Fiji, but the Pacific Region. The TIFA marks an important milestone in the long-standing and multi-faceted partnership between Fiji and the US. Fiji enjoys a strong bilateral trade and investment relations with the US, which is Fiji's largest trading partner. The TIFA will provide a strategic framework and principles for dialogue on trade and investment issues, with an objective to increase trade and investment opportunities between Fiji and the US. The TIFA will be an avenue to strengthen cooperation, facilitate market access of goods, catalyze business to business linkages and strengthen the capacities in the areas of trade and investment.

Bilateral and Regional Trade Meetings

i. Interim Economic Partnership Agreement

A series of bilateral update meetings were held with the European Union and the Pacific ACP parties in relation to the Interim Economic Partnership Agreement. In addition, a series of technical meetings were also held with the EU to update Fiji's Market Access Commitment under the EU-Pacific IEPA from the 2002 Harmonized System (HS) nomenclature to HS 2017.

ii. PACP Trade Officials and Ministers Meeting

The 2021 Pacific ACP Trade Ministers meeting was held on 15 July 2021. The Meeting considered a number of key issues. Fiji Chaired the Forum Trade Ministers Meeting

The 2021 Forum Trade Ministers' Meeting was convened virtually on 16 July 2021. The meeting was chaired by Fiji and reflected on key issues in relation to the impact of COVID-19 pandemic on global trade, trade and health, regional kava development strategy, implementation of the Pacific Aid for Trade Strategy, comprehensive assessment of Pacific labour mobility arrangements, among others.

iv. Joint Trade and Economic Officials and Ministers Meeting

The Joint Trade and Economic Ministers Meeting was held virtually on 16 of July, 2021, and was co-chaired by Fiji and Tuvalu. The meeting deliberated on joint initiatives on digital economy and e-commerce and discussed the proposed concept for a Blue Pacific Economic Strategy. An assessment on electronic commerce (e-commerce) has been undertaken in consultation with public and private sector stakeholders to assess the opportunities for the development of E-commerce in the Pacific and in Fiji. Numerous face-to-face and virtual stakeholder consultations that were organized, including online surveys and focused group discussions.

The assessment was facilitated by TradeCom II and focused on seven key areas, critical for cross-border and domestic e-commerce development:

- i. E-commerce policies and strategies**
- ii. Legal and regulatory frameworks**
- iii. ICT infrastructure and E-commerce support services ecosystem**
- iv. Trade facilitation and logistics ecosystem**
- v. Payment solutions for E-commerce**
- vi. Access to financing initiatives in E-commerce**
- vii. E-commerce skills development**

The assessment concluded that Fiji is advanced in comparison to the other Pacific Island Countries, and has benefited from over two decades of investment in ICT infrastructure, a location that is a hub for transport routes within the Pacific, and business environment reforms that have promoted competition amongst telecoms operators. Hence, e-commerce can promote greater international trade, and improve the ability of Fiji to position itself into global supply chains and various recommendations have been made in the report for implementation.

Fiji participated in the virtual validation workshop for the Pacific Regional E-Commerce Strategy and Roadmap in July 2021. The workshop was officiated by the Honourable Minister for Commerce, Trade, Tourism and Transport, as the Chair of the Pacific African Caribbean and the Pacific (ACP) and Forum Trade Ministers Meeting. E-commerce has been at the heart of domestic and regional discussions, including the increasing importance of e-commerce for economic recovery from the COVID-19 pandemic. Fiji is leveraging over two decades of investment in Information and Communications

Technology (ICT) infrastructure and location as the hub for trade and transportation routes within the Pacific. This complements the business environment reforms efforts made by Fiji's to create a conducive environment for e-commerce to grow. Payment solutions have been recognized as a major challenge and hurdle for MSMEs engagement in the e-commerce space. The significance of a regional e-commerce strategy was recognized and supported to help the region guide its collective action in the spirit of Pacific regionalism.

The Ministry has facilitated a series of e-commerce webinars with companies like Amazon, Pacific Cell and Shopify to assist Fijian businesses get online to sell their products.

IMPLEMENTATION OF WORLD TRADE ORGANIZATION TRADE FACILITATION AGREEMENT

Fiji is currently undertaking implementation of the WTO Trade Facilitation Agreement (TFA). Despite the outbreak of the COVID-19 pandemic, trade facilitation agencies in Fiji continued to make progress on the implementation of the various provisions of the TFA either with their own resources or with the technical assistance provided by agen-

cies such as the World Bank Group, the World Customs Organization, the Food and Agriculture Organization, New Zealand Ministry of Primary Industries and the Global Alliance for Trade Facilitation. The Ministry acts as the Secretariat to Fiji's National Trade Facilitation Committee (NTFC), which has a private-public Co-Chairmanship. The NTFC is Co-Chaired by the Fiji Revenue and Customs Services and the Fiji Customs Brokers and Agents Association. It provides a forum for government and business to discuss issues related to the implementation of the TFA and opportunities to reform the trade environment in order to reduce the time and costs for traders and make goods affordable for consumers.

RESOLVING NON-TARIFF BARRIERS FACED BY FIJIAN EXPORTERS

Fiji, as a small island developing state, faces unique sets of challenges whilst trading internationally. Whilst we continue to accelerate our efforts in improving existing market access links and exploring new opportunities for our Fijian Made commodities, Fijian exporters continue to face various non-tariff barriers that hamper Fiji's integration in global markets and value chains. To resolve barriers to trade, the Ministry works with various public and private sector stakeholders and partner countries. The Ministry has also created awareness on such barriers and advocated on behalf of the Fijian exporters at various international and regional business forums and bilateral engagements.

CAPACITY BUILDING FOR EXPORTERS OF AGRICULTURAL PRODUCTS

The lack of international food/health and safety certifications were identified as a market access barrier for Fijian agricultural products. A strategy has been developed to work in collaboration with the Ministry of Agriculture, Global G.A.P, Market Access Solutions, HACCP Australia and Control Union, Ministry of Foreign Affairs and Trade and PHAMA Plus to build capacity and capability within private and public sector actors.

THE EUROPEAN UNION-FIJI FIFTH ENHANCED POLITICAL DIALOGUE

The Ministry participated in the European Union (EU) - Fiji fifth High Level Political Dialogue, under article 8 of the ACP Cotonou Partnership Agreement virtually on 27 and 28 October 2020. The Dialogue provided an opportunity to review recent developments in the EU, Fiji and the broader Pacific region, including the impact of the COVID-19 pandemic. The Ministry provided updates in relation to the Interim Economic Partnership Agreement (IEPA) and in regards to Fiji's participation in the IEPA Trade Committee Meetings. Fiji hosted the 7th IEPA Trade Committee Meeting in 2019, which was for the first time held outside of the EU. The Trade Committee was complemented by a series of bilateral meetings between the EU and the Pacific States, and the first Meeting of the Special Committee on Customs Cooperation and Rules of Origin, and related capacity building workshop. The Dialogue enabled discussions in respect of further elevating trade and economic relations between Fiji and the EU.

MEETING OF THE SUB-COMMITTEE ON AGRICULTURE

The Ministry is responsible for implementing the Fijian Trade Policy Framework, through collaboration with the responsible Government departments, agencies, and private sector stakeholders. The National Trade and Development Council (NTDC) is the core institutional framework responsible for implementing. The Sub-Committee on Agriculture is the technical body responsible for implementing the policy recommendations of the Fijian Trade Policy Framework to support the growth of Fiji's agro-industry, strengthen synergies with other key sectors, and enable participation in regional and global value chains with enhanced public-private cooperation. The Sub-Committee is chaired by the Permanent Secretary for Agriculture, which undertook focused discussions on the utilization of existing commodity pathways, biosecurity risks, and risk assessments undertaken for different commodities.

ASSISTANCE PROVIDED TO BUSINESSES AND TRADERS

A number of meetings have been held with various exporters and importers to provide them with market related information, including on market conditions. Products that received the most enquiries were turmeric and ginger, seafood products, frozen vegetables, kava exporters who were interested in participating in the pilot phase for commercial exports to Australia, set-up of tyre recycling business, manufacturing operations, market opportunities for handicraft, vanilla, coconut oil, sugar, clothing and footwear, timber, root crops and coffee. The Trade Commissions organised a number of capacity building activities and events for government agencies, Fijian MSMEs and other key stakeholders to benefit from:

1. Meeting representatives from Australia's Department of Agriculture, Waterways and Environment on the use of the BICON System so that Fijian exporters can better understand Australia's biosecurity requirements.
2. Two webinars were hosted as part of the 'How to STAND OUT in the New Zealand Fast-moving consumer goods (FMCG) sector' series, welcoming Tom Fiisihoi, Owner and Director at Ranged, and Lily Vallance, Creative Director at Lily Kate Studio. The aim of the series was to help Fijian MSMEs, particularly those in the food, beverage and beauty industries, understand the New Zealand grocery landscape, explain the Category Review process and introduce them to branding principles and packaging requirements. In total, 267 people registered for the events.
3. Fiji's Trade Commission in New Zealand participated in the Fine Food New Zealand Show, where Fijian companies showcased their products. As a result of participation, the Trade Commission gained new contacts of distributors, importers, retailers, hotels etc. and engaged with them to register interests.
4. Fiji's Trade Commission in New Zealand also hosted the 'Exporting to New Zealand' webinar. The event received almost 250 registrations. The event included speakers from the Biosecurity Authority of Fiji, New Zealand Ministry of Primary Industries and Investment Fiji.
5. A number of capacity building webinars with Fijian MSMEs to assist them during the COVID pandemic and help minimise the associated business impact.

Due to the ongoing COVID-19 situation, there has been disruption to the supply chains that are affecting Fijian businesses. Additionally freight/shipping costs have increased and there are limited opportunities to dispatch goods and produce. For instance, garment manufacturers in Fiji have reported of production being severely curtailed due to retail outlets closing in key markets such as Australia and New Zealand.

MARKETING AND PROMOTING BUSINESS PROCESS OUTSOURCING

The Ministry is working with the BPO Council and through our Trade Commissions, to encourage businesses to operate their back office operations out of Fiji and to promote Fiji as an outsourcing destination.

Value of trade facilitated by Trade Commissions

During the 2020-2021 Financial Year:

Fijian Trade Commission to Australia facilitated over \$47.2 million in exports of Fijian goods to Australia. Total exports to Australia were worth

Fijian Trade Commission to New Zealand facilitated over \$65.2 million in exports to New Zealand. Total exports to New Zealand were worth \$95.8 million.

PARTICIPATION AT EVENTS TO PROMOTE FIJIAN MADE PRODUCTS

The Ministry participated in the Kava Awareness session to create cognizance of Kava and its significance to Fiji and the rest of the Pacific Region. The diversification of kava into products such as, kava chocolate, instant kava mix, kava capsules and dietary supplements shows how kava has evolved significantly from a ceremonial drink to a niche product. There is a growing popularity and demand for kava in countries other than the Pacific region, like the United States of America. During the event, key issues that were deliberated upon were the importance of exclusivity and protection of kava through the use of intellectual property rights, market access issues including the ban of kava, other non-tari barriers, and the issues created by the COVID-19 pandemic mainly in respect to the hand carry of kava for personal consumption to Australia due to lack of commercial flights. Fiji exported \$43.5 million worth of kava in 2020, up by 34% when compared to 2019.

Promoting trade and investment opportunities in Fiji through online channels, media and marketing initiatives has resulted in increased awareness.

The Google Ads campaign has been launched across Australia and New Zealand, promoting key sectors of the

Fijian economy and investment opportunities to a targeted audience. Online Product Directories at Naturally Good and Fine Food Show Expos promoting Fijian brands and products to targeted Australian buyers.

The Vuvale Magazine is published quarterly by the Trade Commission Australia and New Zealand, providing updates and overview of activities undertaken by the office to key stakeholders and the Fijian community in both Australia and New Zealand.

FILM INDUSTRY CONTRIBUTION TO THE ECONOMY

The Ministry's statutory body, Film Fiji, is mandated with the development and promotion of the Audio-Visual (AV) sector in Fiji and acts as the film commission of the Republic of Fiji. Despite the ambience of uncertainty for the global film industry due to global lockdowns and travel related restrictions imposed by the COVID-19 pandemic, Film Fiji facilitated for two productions, namely - "US Survivor Season 41" and "U.S Survivor Season 42".



FILM FIJI Survivor Series at Mana Island, Fiji
www.film-fiji.com

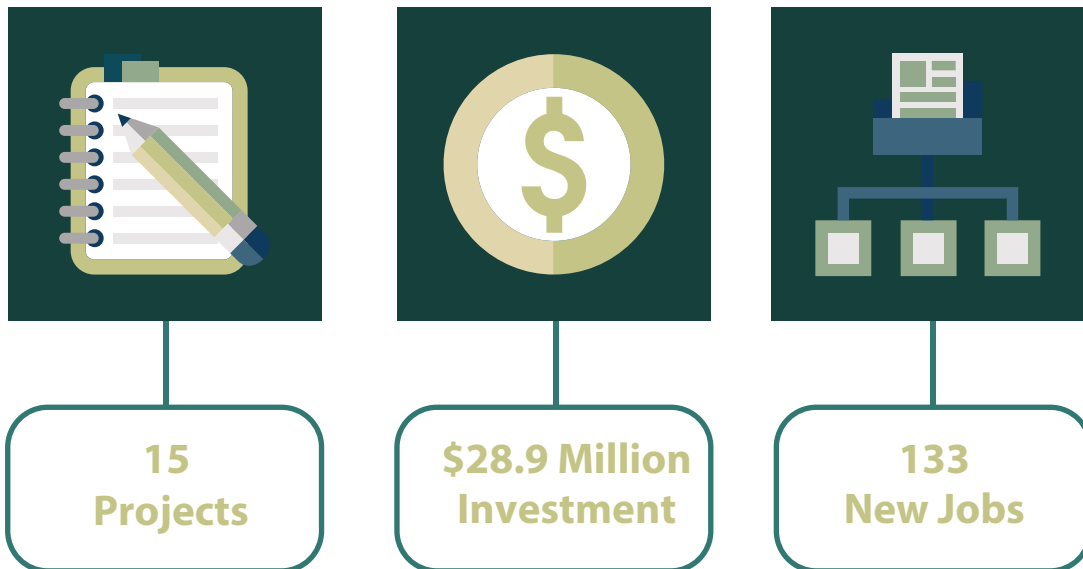


Whilst the film productions total spend in Fiji amounted to \$25 million, it created a Total New Economic Activity of approximately \$70 million as well as provided employment to 408 locals. The U.S film productions adhered to strict mandatory requirements of Fiji's COVID-19 guidelines, under the guidance of the COVID-19 Risk Mitigation Taskforce (CRMT).

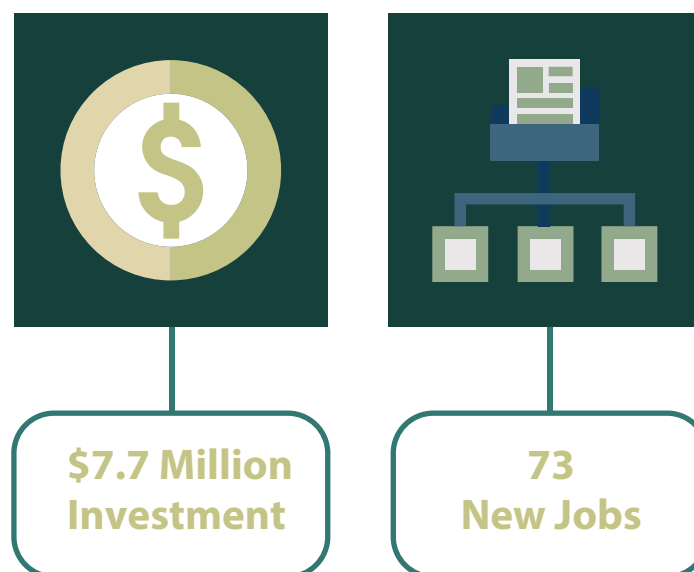
Being responsible to nurture a thriving local AV industry by strengthening local talents, the Film Fiji AV Lab was initiated during this period. This assisted in the development and implementation of new AV projects in partnership with local stakeholders, which would in turn bring significant economic value to the Fijian economy. Alas, with virtual participation being the new norm, Film Fiji attended 3 online film festivals and explored the potentials which exist in the Europe and Asian film Markets.

VALUE OF INVESTMENT FACILITATIONS

During the 2020-2021 Financial Year: Fijian Trade Commission in Australia facilitated projects with a proposed:



During the 2020-2021 Financial Year: Fijian Trade Commission in New Zealand facilitated projects with a proposed:



TOURISM UNIT

The Unit formulates and implements policies and strategies to enable Fiji's market re-entry in a focused, coordinated and sustainable manner. The Unit also oversees the performance of Tourism Fiji, which is responsible for marketing and promoting Fiji, as a tourist destination.

FIJI LAUNCHES CARE FIJI COMMITMENT

Developed in consultation with stakeholders from the tourism industry, and endorsed by the COVID-19 Risk Mitigation Taskforce and Ministry of Health and Medical Services, Tourism Fiji launched the Care Fiji Commitment (CFC) programme as part of Fiji's market re-entry plans. The CFC is Fiji's destination wide assurance to the health and safety of visitors.



It aims to extend the same level of care to international visitors and optimise sector-wide recovery efforts by ensuring that the Fijian tourism industry adopts minimum standards of health and hygiene practices.

The CFC ensures an aligned communication platform for how Fiji communicates and demonstrates its health and safety credentials and COVID-19 management protocols to both local and international visitors. It highlights the importance of restoring confidence through safety and security protocols, designed to reduce risks at each step of the tourism value chain.

In February 2021, the CFC received recognition by the World Travel & Tourism Council (WTTC), a global body on Travel and Tourism. With the 'Safe Travels' stamp added to it, the CFC gives increased confidence to international travelers and will help ensure a seamless travel experience as border restrictions ease.

CFC ROADSHOWS

Led by Tourism Fiji, with the support of the Ministry and the Fiji Hotel and Tourism Association, several roadshows on the Care Fiji Commitment (CFC) were held across Fiji in March.

The CFC Roadshow provided updates and information to tourism stakeholders and partners to support Wellness Ambassadors and businesses make the commitment. The programme also included support in creating action plans, vaccine roll out plans and updates on Tourism Fiji's domestic tourism plans and Local Event funding framework.

CFC BUSINESS REGISTRATION AS AT JULY 2021



Minister for Commerce, Trade, Tourism and Transport, Hon. Faiyaz Koya and Australian High Commissioner to Fiji, H.E. John Feakes, at the opening of the Child Safe Tourism Stakeholders Workshop, in Westin Denarau on 22 October 2020

CHILD SAFE TOURISM WORKSHOP

On 22 October 2021, the Ministry partnered with the Australian Volunteers International (AVI) on the Child Safe Tourism Stakeholders workshop – bringing together key stakeholders of the tourism sector to identify the role of tourism operators in keeping children and communities safe. The workshop dialogue focused on interaction and impact tourism activities have on children through tourism activities and minimise negative impact of tourism on children and communities.

Designed by the AVI, the Workshop was facilitated by the Child Safe Volunteering Hub Pacific, in collaboration with

the Australian Government's Department of Foreign Affairs and Trade.

The need to establish a fully functioning industry supported by the public sector, was canvassed by way of policy instruments, planning, guidelines and standards.

REPORT HIGHLIGHTS POTENTIAL IN VANUA LEVU FOR TOURISM

Fiji's second largest island, Vanua Levu, is a significant part of Fiji's tourism recovery efforts through targeted investments to attract high-value markets, potentially increasing national tourism earnings by FJD 339 million in 2020, above forecasted estimates.

The International Finance Corporation, with the support of the governments of Australia and New Zealand, has completed a study, Vanua Levu Tourism Market Demand Assessment, which provides critical information for the World Bank Group and the Fijian Government, to design a project that will support the island's future growth and recovery from the impacts of COVID-19.



HUMAN RESOURCES NEEDS ASSESSMENT IN THE CONTEXT OF COVID-19 TOURISM RECOVERY CHALLENGES

In an effort to revitalise the Fijian tourism workforce, the Ministry, in collaboration with United Nations World Tourism Organisation and technical support of Victoria University, conducted a rapid Human Resource Needs Assessment.

The Assessment identifies baseline information on opportunities and barriers — both demand and supply side. It provides recommendations that examine options and scenarios for human resources development within the framework of COVID-19 tourism recovery. The Assessment, in addition to being part of Fiji's commitment to the UN Sustainable Development Goals, is a key deliverable of the Fijian Tourism 2021.

FIJI'S FIRST DOMESTIC TOURISM DEMAND STUDY

Having entered into a formal partnership last financial year, we collaborated with the Market Development Facility, with the support of Fiji Hotel and Tourism Association and Tourism Fiji, on Fiji's first Domestic Tourism Demand Survey.

The intent is to better understand the local tourism market, its characteristics and opportunities to more effectively target and cater to the local market demand. Owing to the success of the Love our Locals Campaign, the study encompassed results from a survey of more than 10,000 local travellers and additional focus groups, including face to face interviews.

The study gives a snapshot of the local market traveller, regional profiles, emerging regions, and key insights on existing marketing efforts, accommodation packages and deals, food and beverage options, activities and customer service. The findings will assist tourism stakeholders to better target domestic tourism post COVID-19 and recommend new strategies for both Government and the private sector.

LIVE TOURISM DASHBOARDS

The Ministry in partnership with Tourism Fiji and Fiji Hotel and Tourism Association, with technical support of Australia's Market Development Facility, established the Tourism Statistics Taskforce (TST) during this financial year. The TST embarked on a live dashboard with data and market intelligence from Fiji's key tourism source markets to help inform policy and marketing initiatives. The engagement partners were Twenty31 and Destination Think.

The Dashboard incorporates live insights of Fiji's marketing pages, rating and reviews, and survey responses from Australia and New Zealand residents while the TSI Dashboard provides a comprehensive look at how destinations are driving positive perceptions around their tourism offerings.

STRENGTHENED PARTNERSHIPS

TOURISM RECOVERY TEAM

Since the formal activation of the Tourism Recovery Team (TRT) in the last financial year, the TRT has worked closely with the agencies, including the Land Transport Authority, Maritime Safety Authority of Fiji, Reserve Bank of Fiji, Association of Banks in Fiji, Ministry of Employment and the Department of Immigration, on behalf of the industry on key issues of interest. Discussions evolved around current challenges faced by the industry to find strategic solutions for tourism businesses to stay afloat during this pandemic – including budgetary support. While the national priority remains frontliners, vulnerable Fijians and communities, the TRT will strategise to create 'Safe Travel Areas' within Fiji, especially those that drive tourism, by encouraging vaccination.



TOURISM TALANOA

As part of the Ministry's ongoing efforts to strengthen public-private partnership in Fiji's recovery efforts, in partnership with Tourism Fiji, the Ministry held a Talanoa Forum on 5 March 2021.

The Talanoa aimed to address immediate concerns faced by the industry amidst the pandemic and the aspirations of the 2021-2022 National Budget.

Discussions were challenges faced on the ground, solutions and opportunities to re-look at traditional ways of business, opportunities to attract new markets and to build new skills amongst the industry's labour force. A major element that underpins all of these opportunities is the Industry's preparedness and ability to maintain capacity as well as competitiveness to re-enter the market in a Covid safe manner.

GLOBAL GREEN GROWTH INSTITUTE - SUSTAINABLE TOURISM FRAMEWORK

The Fijian Government's long term strategy is to increase the value of tourism by growing arrivals from high value markets; increasing the share of tourism revenue retained in the local economy; and spreading the benefit of tourism throughout the country.

The strategic drive to develop sustainable, high value and diversified tourism will be the foundation for COVID-19 tourism recovery. As part of this strategic approach, the Ministry, in partnership with the Global Green Growth Institute (GGGI), has committed to the development of a Sustainable Tourism Framework for Fiji.

The GGGI project will support the design of Fiji's Sustainable Tourism Framework, by providing green principles and identifying financial mechanisms and investment opportunities to support a green COVID-19 recovery in the Tourism sector.

AUSTRALIAN VOLUNTEER INTERNATIONAL - CHILD SAVE HUB

Through our partnership with Child Safe Volunteering (CSV) Hub, managed by Australian Volunteers International (AVI) in the Pacific, we are supporting collaboration and leadership in child safeguarding and the promotion of responsible tourism and volunteering practices. In October 2020, a workshop was hosted in Nadi by the Ministry in collaboration with CSV Hub targeting tour operators and volunteer organisations to discuss the "Do no harm approach and Safeguarding Principles".

The workshop recommended embedding the "Do no harm approach and safeguarding principles" into the draft Fijian Code of Conduct for Tourism Service Providers (Code of Conduct). Through the AVI's small grants scheme, we are implementing the "Leveraging Child Safety Awareness to Fijian Tourism Services Providers" project. Looking ahead, through awareness sessions, training and public campaigns, we aim to better equip the sector to build a more protective and conducive Tourism environment.

The United Nations in partnership with the Fijian Government, brought together partners from across Fiji for two full days of community activities at Prince Charles Park, Nadi.

UNWTO TOURISM ONLINE ACADEMY SCHOLARSHIP

At the 32nd Commission for East Asia and the Pacific and Commission for South Asia (CAP CSA), the Secretary-General and the UNWTO made a commitment to continue fostering high quality online education in tourism.

In accordance with this commitment, five scholarships for the Tourism Industry Management online course were awarded to Fiji. Ministry staff members, including two University of the South Pacific tourism students, were successful in obtaining the Scholarship.

The six months course enabled participants to expand knowledge on tourism industry management whilst equipping future tourism students to achieve key tourism insights realising the industry's tremendous obstacles today and in the future.

PACIFIC TOURISM ORGANISATION BOARD OF DIRECTORS MEETING

The biannual South Pacific Tourism Organisation (SPTO) Board of Directors (BOD) Meeting was held virtually in October 2020 and May 2021. Following the resignation of the then Chair and Vice-Chair of the Board in 2019, the October 2020 BOD Meeting necessitated the election of the new Chair and Vice-Chair, where Cook Islands and Solomon Islands were elected for the respective appointments.

Fiji was selected to join the Finance Sub-Committee, whilst Fiji Airways replaced Air Niugini as the airline representative, taking the final position on the SPTO BOD as private sector representative. Key discussions centred around the COVID-19 pandemic and regional recovery efforts, which also prompted the establishment of the SPTO Crisis Management Board Sub-Committee of which Fiji was elected a member.

2020 BLUE LANES SURVEY

In January 2021, the Ministry rolled out an online survey targeted towards Yachts and Superyachts that had cruised Fiji waters in 2020 to capture the economic impact of Fiji's first ever Blue Lanes Initiative. As international travel had become restricted due to the COVID-19 pandemic, the Blue Lanes became the only source of international visitor arrivals during this period.

The survey is aimed to capture important data such as; arrival numbers, average length of stay, spend on specific expenditure components and estimated economic impact.

The findings of the survey will enable stakeholders to better understand guest experiences who are on pleasure craft sailing in a COVID-19 environment with its own travel requirements.

DEPARTMENT OF NATIONAL TRADE AND MEASUREMENT STANDARD

The Department of National Trade Measurement (DNTMS) administers the 1989 National and Trade Measurement Act (NTMA) and the 1992 Trade Standards and Quality Control Act (TSQCA). The NTMA provides for trade measurement laws establishing a system of national system of units and standards of measurement that is based on international system of units. Whilst the TSQCA establishes the functions of the national standards body that is responsible for the development and adoption of Fijian standards. Currently both the legislations are undergoing review with the intention to remove outdated provision from the laws and recommend amendments that follow international best practices. DNTMS also regulates the trade of scrap metal to prevent the illegal trade of public infrastructure material.

STANDARDS PROJECTS

National standards development process is one of the core activities of the Department where it facilitates a standards development process for each standard intended for national adoption. The table below shows new Standard requests, on-going projects and published Standards / Guidelines.

Project Type	Number	Standards
New Projects requests	2	Electrical Appliance Standards (IEC 60335 - Household and Electrical Appliance safety) Plywood Standards
On-Going Projects	7	AS 4055 Wind loads for Housing Review of AS/NZS 1170.2 Structural design actions, Part 2: Wind loads Sheet roof and wall cladding Minimum Energy Performance Standards and energy rating label requirements for TV Food Guideline Gold articles Fireworks
Published Guideline	1	Reinforcing Steel Materials

Table 2: Standards Request Projects

STAKEHOLDER AWARENESS

Stakeholder engagement holds a pivotal role in the Standard Development process and is important in meeting the Department's key deliverables. The DNTMS conducted stakeholder awareness sessions in the several Standards Projects during the financial year.

Key Components	Activities	Traders
Investigating Complaints	a) Complaints analysis b) Submission of complaint reports	
Inspections	a) Fireworks Labelling - b) Certification of weighing and measuring instruments	(a) 969 (b) 4458
Audits	a) Bottled Water companies b) Fuel companies	(a) 7 (5 operational) (b) 3
Awareness Sessions	a) Role of the Department b) Review of the 1992 Trade Standards and Quality Control Act and 1989 National and Trade Measurement Act c) Product standards – Steel coils, Steel bars, Cyclonic screws, Fuel, Wind loads for Housing	

TRADE MEASUREMENT UNIT - VERIFICATION AND CERTIFICATION OF INSTRUMENTS

Graph below illustrates the total revenue collected the verification and certification of instruments used for trade. Total revenue collected from August 2020 till July 2021 was \$828,067.12.

Divisional Office	Revenue Collected Q1 – Q4 (2019 – 2020)				Total
	Q1	Q2	Q3	Q4	Total
Central/Eastern	\$281,079.70	\$105,941.73	\$54,083.75	\$10,709.50	\$451,814.68
Western	\$79,274.66	\$87,370.95	\$82,394.77	\$62,595.74	\$311,636.12
Northern	\$26,906.72	\$9,530.18	\$3,650.47	\$24,528.95	\$64,616.32
Total	\$387,261.08	\$202,842.86	\$140,128.99	\$97,834.19	\$828,067.12

Table 4: DNTMS Revenue Collection FY 2019-2020

A total of 4458 instruments were verified and calibrated from August 2020 till July 2021 as per Table below.

Types of Instruments	Divisions			Total
	Central/Eastern	Western	Northern	
Mechanical Scale	208	456	66	930
Electronic Sale	296	581	110	987
Driveway Flow Meter	543	492	88	1123
LPG Flow Meter	1	4	0	5
Water Meter	2	0	0	2
Litre Measures	52	218	23	293
Vehicle Mounted	2	1	0	3
Flow Meter	112	728	80	920
Parking Meters Dip Chart	0	13	1	14
Weighbridge	8	12	8	28
Tank Calibration	3	22	0	25
Additional Mass Indicator	0	4	0	4
EFL Test Bench	17	0	0	17
Hire of Mass	11	1	0	12
Axle Weigher	56	0	0	56
Line Pressure Test	39	0	0	39
Total	1350	2532	576	4458

REVIEW OF THE DNTMS LAWS

DNTMS commenced the review of the 1992 TSQCA during this period and has completed all the consultations and consolidation of comments for this review. The engagement of stakeholders representing the public and private sectors has been the highlight of the said review. These consultations add value to the recommendations put forward for review. Similarly, the Department is also engaged in the review of the 1989 National Trade Measurement Act.

DEPARTMENT OF CO-OPERATIVES BUSINESS

The Department of Co-operative Business is responsible for formulating and implementing policies and strategies to facilitate the promotion, establishment and monitoring of co-operative businesses in Fiji. The training and up-skilling of Co-operative society members and officials is also a key role of the Department.

This year, the Department was focused on recovery and growth of the co-operative movement in Fiji with emphasis on women, youth and the revival of non-operating co-operatives. In the 2020/2021 financial year, the co-operative industry in Fiji was able to generate \$18.9 million in revenue with a net profit of \$2.4 million. Total assets held in co-operatives was recorded at \$147 million with a Return on Assets of 2% and Return on Equity of 2%.

There are currently 371 operating co-operatives with 42 new co-operative registrations of which 40% of co-operative registrations attributed to collaborations with the Ministry of Agriculture through its "Farm Mechanisation Programme". A total of 4 women-led co-operatives were registered during the year. The Department conducted 131 co-operative awareness, revived 10 co-operatives, diversified 5 co-operatives, conducted 31 trainings, recorded 108 employment and 56 women and youth in leadership positions.

A key achievement for the Department was the establishment of the Co-operative Tribunal with the Ministry of Justice to resolve disputes for and among co-operatives.

MSME FIJI

The Fijian Government recognises Micro, Small and Medium Enterprises (MSMEs) as one of the critical components contributing to the growth of our Economy and is the engine of creating jobs for Fijians. Pre-COVID19 MSMEs in Fiji contributed to 18% of our Gross Domestic Product and 60% to our Labour Force, however these statistics only account for registered businesses and would be higher if unregistered businesses factored.

MSME Fiji unit provides business training and advisory services assist their customers in overcoming their greatest challenges - access to information and finance. The Unit also works with select private sector individuals to provide mentoring services. In addition has established a monitoring and evaluation team whose primary function is to visit the recipients of our assistance programmes and verify whether the applicants businesses are still active or recipients need further assistance in order to restart or keep their business functioning.

In addition to the provision of these services the Unit also implements the Ministry's assistance programmes targeted at specific industries MSME's operate in, namely:

- 1. Young Entrepreneurship Scheme (YES);**
- 2. National Export Strategy (NES);**
- 3. Integrated Human Resources Development Programme (IHRDP); and**
- 4. Northern Development Programme (NDP).**

YOUNG ENTREPRENEURSHIP SCHEME

The main focus of the Young Entrepreneurship Scheme (YES) is to stimulate employment generation by encouraging young people to become Job Creators rather than Job Seekers. The programme offers grant assistance to young and budding entrepreneurs who have innovative and bankable ideas/projects which financial institutions hesitant to support due to lack of collateral.

Since inception in 2017 to date, the YES programme has assisted 10 young entrepreneurs at a value of \$222,000. These entrepreneurs have gone on to create jobs for 27 people (both casual and full time employment), subsequently impacted 44 livelihoods. It is evident the policy objectives of the programme are being fulfilled.

In 2019/2020, the programme funded Mr James Colata who aspired to upgrade his gym to become an accredited CrossFit Facility in the Pacific. However due to supply constraints he was unable to fully complete his project. There-

fore in the 2020/2021 the programme disbursed the remainder of Mr Colata's grant funds. Furthermore in February 2021 Mr Wahed officially launched the release of his app "Heart-beat" whereby the Hon. Minister for Commerce, Trade, Tourism and Transport was the chief guest.

NATIONAL EXPORT STRATEGY (NES)

The National Export Strategy aims to assist and sustain meaningful export-related projects that has the potential to contribute to economic growth. Since its inception in 2007 the Fijian Government, through the NES programme has assisted 114 existing and new exporters, amounting to over \$15million, in achieving competitiveness, value addition, export diversification and growth in targeted markets overseas.

In the 2020/2021 financial year the programme assisted three (3) companies, Lami Kava, Star Hospitality Ltd and South Pacific Coffee Company, at a value of \$185,000. The exporters utilised funds through the procurement of equipment to optimise operational efficiencies. Through this assistance Lami Kava has been able to support more farmers through the purchase of green kava in ensuring quality control of their products when getting it export ready. South Pacific Coffee Company will be able to roast and process more coffee beans for the export and domestic market and finally Star Hospitality will be able to optimise and secure larger orders for sublimation printed uniforms. In comparison, in the financial year 2019/2020, two (2) exporters, Ace Kava and Vanua Chocolate, were given the opportunity to expand production capacity through grant assistance of \$455,000.



Permanent Secretary for Commerce, Trade, Tourism & Transport & Management of Lami Kava

INTEGRATED HUMAN RESOURCES DEVELOPMENT PROGRAMME (IHRDP)

The Integrated Human Resource Development Programme (IHRDP) is designed to address "unemployment" in a holistic way by combining efforts of the public, private and civil society sectors to create employment and reduce poverty levels. Since 2013 the Ministry has disbursed close to \$3 million to 58 projects across Fiji.

In the 2020/2021 financial year, a budget of \$300,000 was allocated for funding of communally owned businesses. An Expression of Interest was advertised to which the ministry received 108 application totaling \$10.9 million, of which the IHRDP contribution is \$4.1 million. Following processing and deliberation by the IHRDP panel a total of \$229,352 was disbursed to 6 projects.



Handover Limited to Lovu Co-operative



Handover to Nabonu Land Purchase Co-operative Limited

The members of the IHRDP programme work closely with the Ministry's Department of Co-operative Business in formally registering communal groups. Experience and studies has shown that being a registered entity provides greater assurance in the continuity of the project.

Finally, IHRDP acknowledges the services rendered by former Divisional Manager Northern, Mrs. Mereseini Vakarau and Divisional Manager Eastern, Mrs Katalaini Waibuta, who have taken their retirement. They are replaced by Mrs. Mrs Asenaca Niumataiwalu (North) and Ms Swaran Lata Kumar (Eastern).

NORTHERN DEVELOPMENT PROGRAMME (NDP)

The Northern Development Programme (NDP) is a Government funded programme that provides equity assistance through grants to enterprises to improve the livelihoods of the people of the Northern Division. The programme aims to raise the level of investment, increase the volume and value of trade and increase the MSME's participation in economic development.

Since inception in 2008, the Fiji Government through the Ministry has invested \$24.4 million of grant & loan funds giving support to 2,440 new & existing projects. This constitutes \$10.8 million (45%) of grant funds & \$13.5 million (55%) being loan funds from Financial Institutions.

In 2020/2021 the programme utilised 99% of their allocated funds, that is, \$492,790 out of \$500,000 budget allocation supporting a total of 76 projects. This financial year saw the financing of projects involved in the livestock sector against fishing & agriculture. These 76 projects has created 228 employment in the informal sector & 1,140 livelihoods created.



Jitendra Sharma, Soiso, Tabia, Labasa

In the 2019/2020 Financial Year, NDP assisted 24 enterprises at value of \$200,000. It should be highlighted the low utilisation of our assistance was the result of the transition process of NDP to the Ministry.

DEPARTMENT OF TRANSPORT

The Department of Transport in its capacity to strengthen coordination, planning, policies and monitoring of the transport sector in Fiji. The Department of Transport is responsible for both Land and Maritime Transport industry.

The department is responsible to provide:

- Policy direction and guidance to the Land Transport Authority (LTA) and Maritime Safety Authority of Fiji (MSAF) as well as monitor their performance through that business strategic and operational plans. Additionally, the Ministry is responsible for the release of annual quarterly grants (Opex and Capex).
- The statutory body agents; Land Transport Authority (LTA) and Maritime Safety Authority of Fiji (MSAF) works in consultation with the Department of Transport in the implementation of Fiji's transport regulations while the TPU facilitates and monitors the release of their respective annual Operating and Capital Grants on a quarterly basis.
- Advice on strategic planning issues and foster coordination between transport regulators, service providers and operators as well external reference group comprising of key representatives in the transport sector.

The following are key highlights of the department:

1. Review of the Land Transport Act 1998 and Maritime Transport Act 2013- The Department of Transport and the respective Land Transport Authority (LTA)/ Maritime Safety Authority of Fiji (MSAF) reviewed their respective acts and regulations. The review included amendment and new regulations provisions to compliment the functional responsibilities in order to ensure ease of doing business not for the LTA and MSAF Clients but also for the organization as well whilst meeting the service delivery.

2. Review of the Fiji Decade of Action Plan for Road Safety (FDARS) - There is a need to renew the Decade of Action Plan for Road Safety, hence the department began its review on the 2011-2020 Fiji Decade of Action Plan for Road Safety (FDARS) to align to the UN General Assembly Resolution 74/299 "Improving global road safety", proclaiming the Decade of Action for Road Safety 2021-2030, with the ambitious target of preventing at least 50% of road traffic deaths and injuries by 2030. The department reviewed all the targets and developed a new decade of action plan which will be tabled before the Cabinet for endorsement before the same is adopted for use in Fiji and the same will be relayed to the UN Road Safety Secretariat. The 2021-2030 FDARS will help mobilize sustained political commitment towards making road safety a priority; to advocate and raise awareness on road safety legal instruments through strategic partnerships between the public, private and non-governmental sectors.

3. Intelligent Transport System (ITS) Policy - This Department had bid farewell to lead consultant Mr. Lee from Korea, who had been the driver behind the prefeasibility study on Pilot ITS Implementation for Suva City. The department worked towards compiling a Cabinet Paper to inform the Cabinet on the progress of ITS in Fiji and a Project Concept Paper (PCP) to submit to The Korea International Cooperation Agency (KOICA) to seek funding in order to proceed further with the recommendations identified in the prefeasibility study on Pilot ITS Implementation for Suva City.

4. LTA and MSAF Monitoring of Performance- The department currently has two desk officers for LTA and MSAF who is responsible to look into matters arising from their respective agency including the monitoring of performance and utilization of budget during the financial year. The respective agency performance is based on the key performance indicators agreed and signed at the time of Service Level Agreement (SLA) Endorsement. The assessment of KPI's is conducted on a quarterly basis for better portrayal of their outputs and at the same time assess for quarterly grant utilization and release of next quarter grant.

5. Sustainable Urban Transport Index (SUTI) in Fiji was developed by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) to help summarise, track and compare the performance of cities with regard to sustainable urban transport and the related Sustainable Development Goals (SDG), more specifically target 11.2. The unit submitted a cabinet paper to inform the cabinet on the progress of SUTI and also for Fiji to sign the LOA with UNESCAP for the funding to be release to Ministry of Economy, however the submission was returned

back by the Cabinet Office. Fiji lost the funding as the timeline was not met for LOA, however the department is constantly engaging with UNESCAP to revive this project again.

6. Pacific Blue Shipping Partnership (PBSP) - Fiji's leadership of the 23rd Conference of Parties (COP23) and participation in the United Nations Oceans and High Level Panel, regional and domestic high level fora, gained recognition of the issues the region faced due to the climate change. Fiji is renowned for championing the ambitious targets to reduce greenhouse gas emissions (GHG). The Partnership is a country-driven initiative, supported by an institutional structure for coordination and programme delivery that links member countries with international development partners and other relevant stakeholders to support implementation of the 10-year work programme through a range of institutional and financial structures. The department submitted a Cabinet Paper on the partnership to inform Cabinet on the progress of the Pacific Blue Shipping Partnership (PBSP); whilst also to seek Cabinet approval on the way forward to advance the PBSP; and seek Cabinet endorsement for the Ministry of Commerce, Trade, Tourism and Transport to lead Fiji in the development of the PBSP as a national commitment to the decarbonisation and sustainable development of maritime transport and related sectors.

7. Shipping Services Subsidy Scheme (SSS) – The SSS scheme which was formerly known as the Government Shipping Franchise Scheme (GSFS). The Scheme had been developed throughout the years with relation to its vessel scheduling and routes. The main objectives of the Scheme is to achieve the following:

Introduce a shipping service to service uneconomical sea routes to maritime islands which would otherwise be un-serviced;

Promote private shipping operators and internal traders for movement of goods and cargoes;

Encourage the transportation of the maritime public between outer islands and major urban centres; and

Incentivize transports operators through the support of a Government Subsidy, to service uneconomical routes.

There are 15 trips conducted to service the 10 routes namely Upper Southern Lau, Lower Southern Lau, Northern Lau, Lomaiviti, Yasayasa Moala, Kadavu, Yasawa and North East Vanualevu, Rotuma and Beqa, Yanuca & Vatulele. During the period August 2020- July 2021, a total of 132 trips were undertaken with \$1,539,625.00 subsidy being paid to the franchise service providers for the respective franchise route of service.

Franchise Service Provider:	\$
Brighton Holdings Fiji Limited	\$ 251,625.00
Goundar Shipping Limited	\$ 532,000.00
Miller Shipping Services	\$ 317,000.00
Valesasa Transportation Limited	\$51,000.00
Victoria Marine Limited	\$ 388,000.00
Government Shipping Services	\$ -
Total Subsidy Paid	\$ 1,539,625

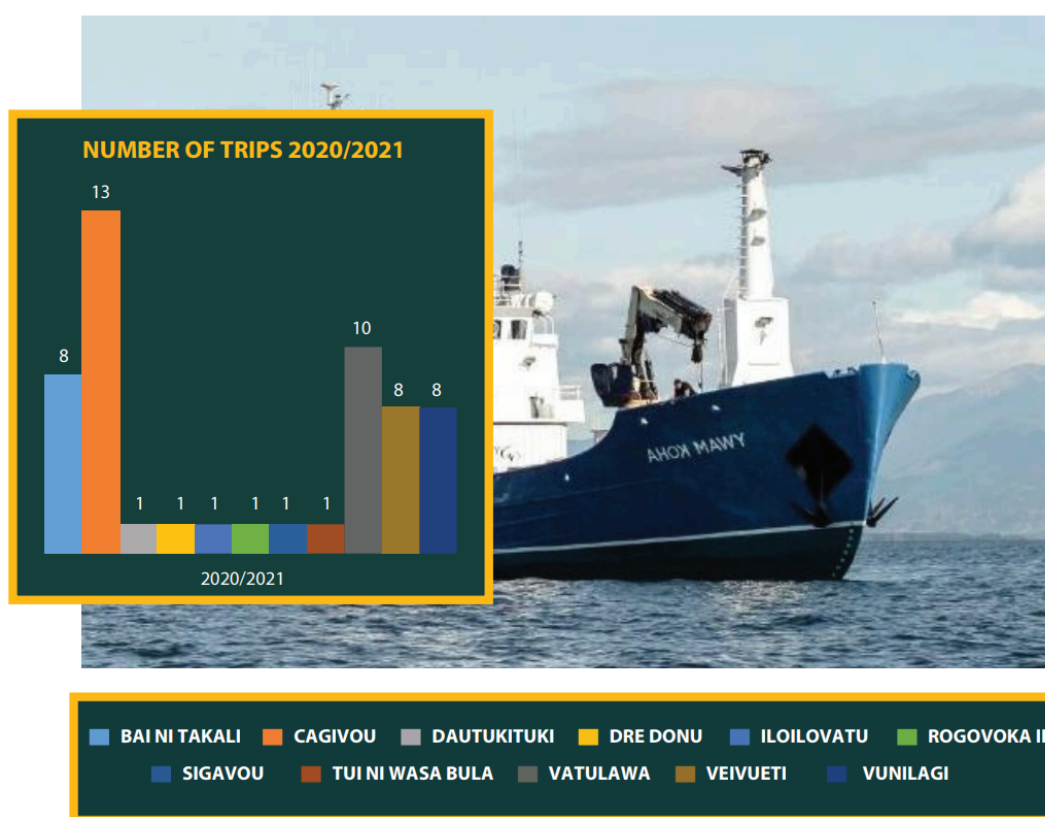
Table 6: Franchise Service Providers

GOVERNMENT SHIPPING SERVICES

The Department of Government Shipping Services (GSS) under the Ministry is responsible for the provision of shipping services for government development programmes. These shipping services include assisting the Maritime Safety Authority of Fiji (MSAF) with operations and maintenance of Aids to Navigation (ATONS).

The allocated budget for the Financial Year 2020/2021 for the Department was \$8.6M including both Operational and Capital budgets.

There are 12 government vessels currently with the Department. 50% were operational and 50% were under maintenance – classified into Short Term, Medium Term and Long Term maintenance works. The following are some of the achievements of the Department in the year 2020 and 2021. In the year 2020/2021, there were 53 trips provided by GSS. The target for each year was 48 trips in any given year. The GSS managed to undertake 5 trips more than the target services.-

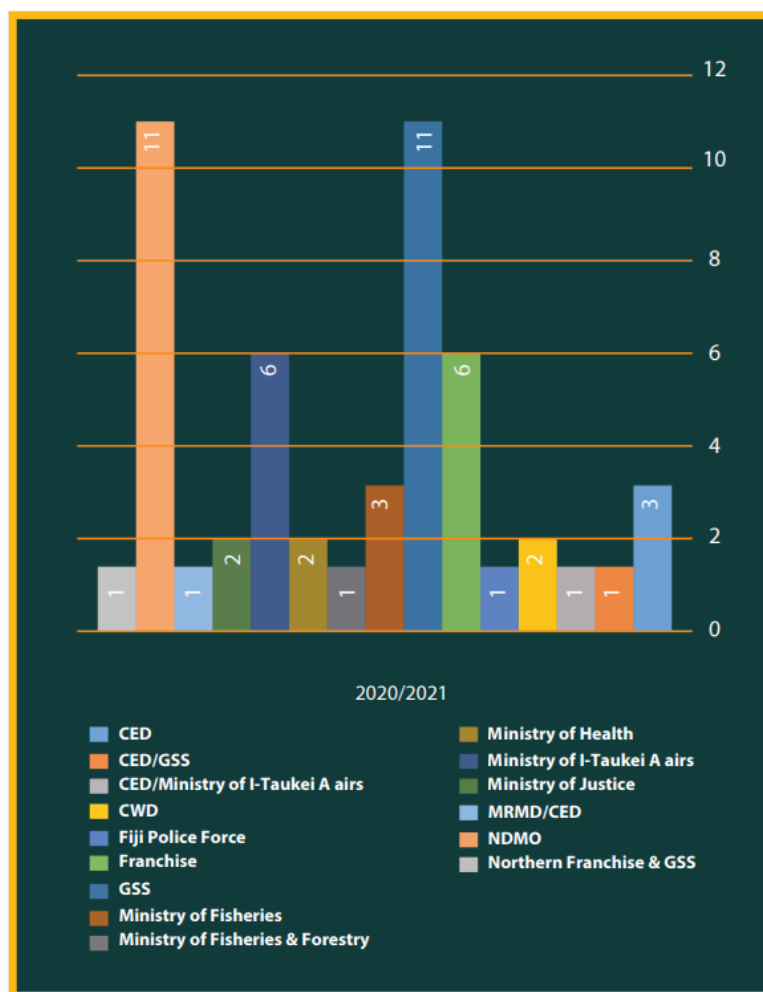


Graph 2: Number of Trips by Shipping Service Vessels

The MV Cagivou had undertaken the most trips than the other vessels with 13 trips, followed by MLC Vatulawa of 10 trips, MLC Vunilagi, MLC Veivueti and MV Bai Ni Takali with 8 trips each.

Stakeholder collaboration is important for the Department particularly in engaging with the different Ministries and agencies in their development programmes in the different Maritime islands. GSS provides services in the Government Shipping Franchise Scheme (GSFS) particularly to Yasawa, North East Vanua Levu, and Beqa/Yanuca/ Vatulele. There were 7 trips provided under the scheme to the 3 main routes.

The main services were provided for the National Disaster Management Office (NDMO) and the Ministry of itaukei Affairs. The services were provided specifically after Tropical Cyclone (TC) Yasa in December 2020 and TC Ana in January 2021. The provision for services for the Ministry of itaukei Affairs was basically for:



Graph 3: Number of Trips by Shipping Service Vessels

STAKEHOLDERS SERVICED

During the same period, the vessels provided services to various stakeholders. Notably, the National Disaster Management Office utilized the vessels for 11 trips, while the Ministry of iTaukei Affairs and Franchise Trips utilized the vessels for 6 trips.

FUEL CONSUMPTION AND DISTANCE COVERED 2020/2021



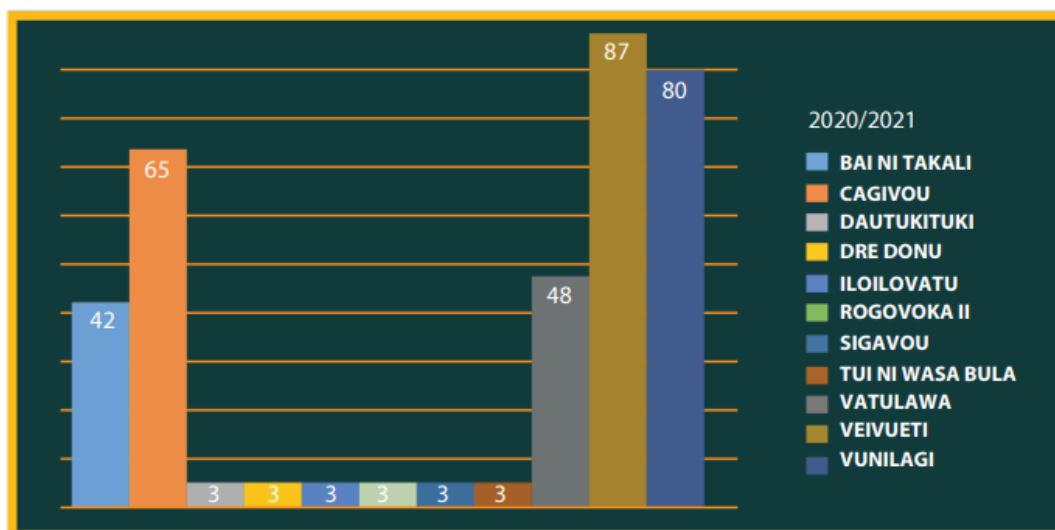
Graph 4: Fuel Consumption vs Distance Covered

FUEL CONSUMPTION AND DISTANCE COVERED

Fuel consumption and distance covered are key indicators of maritime operations. In the year 2020/2021, the vessels collectively consumed 467,498 liters of fuel and covered a total distance of 15,383 nautical miles. The following vessels recorded the highest distance travelled:

- Bai Ni Takali
- Cagivou
- Vunilagi

DURATION OF TRIPS 2020/2021



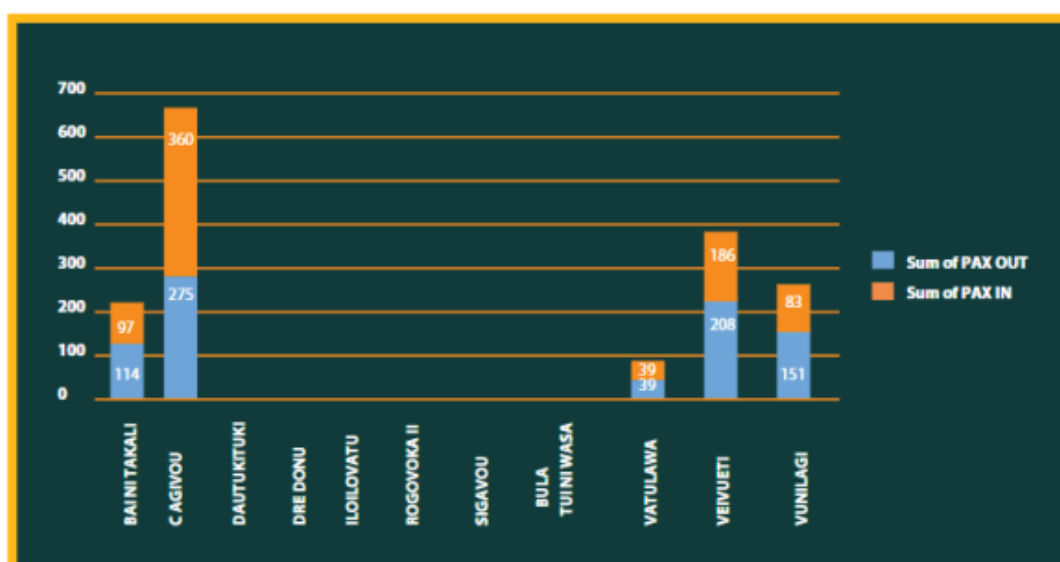
Graph 5: Duration of Trips per Day

DURATION OF TRIPS

The total number of days of operation at sea by all vessels during the year was 340 days. The following vessels had the highest operational days:

- Cagivou: 65 days
- Veivueti: 87 days
- Vunilagi: 80 days

PASSENGER MOVEMENT 2020/2021



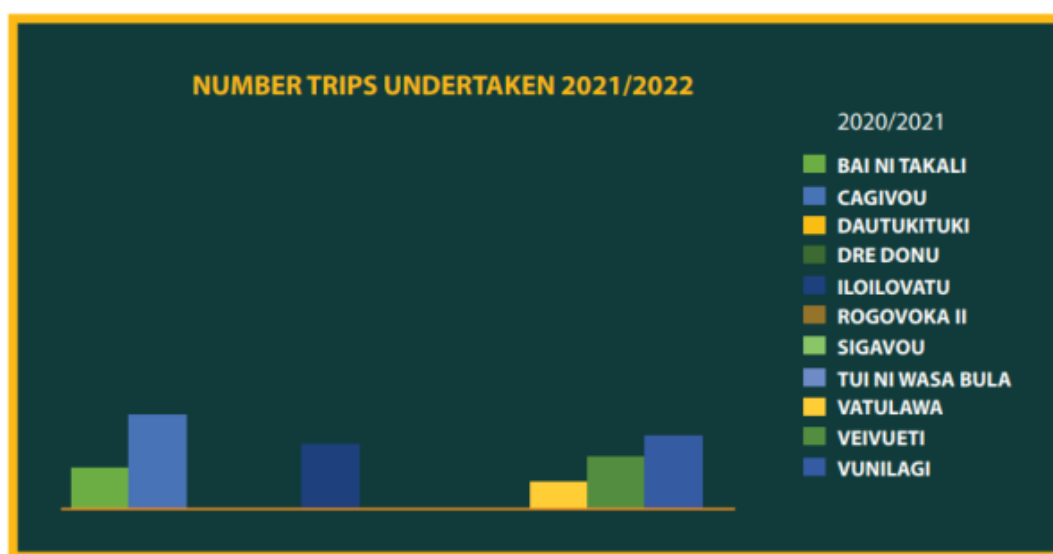
Graph 7: Passenger Movement

PASSENGER MOVEMENT

The number of passengers transported during the 2020/2021 period was 1,552. The vessels with the highest passenger movements were:

- **Cagivou**
- **Veivueti**
- **Vunilagi**

The data presented reflects a successful year of operations for the vessels in our fleet despite the effect of COVID-19 in restrictions. The high number of trips, fuel efficiency, and effective service to stakeholders demonstrate the efficiency and effectiveness of our maritime services. We will continue to monitor these key performance indicators to ensure the highest level of service in the coming year.



Graph 8: Number of Trips Undertaken

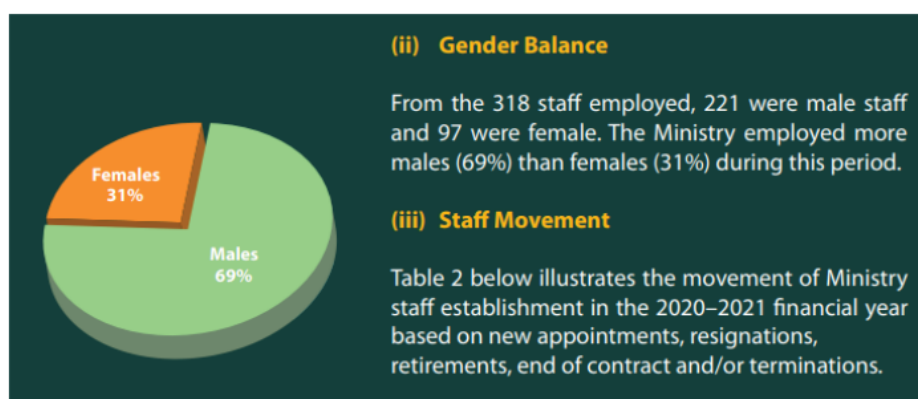
CORPORATE SERVICES DIVISION

Staff Establishment

The approved staff establishment of the Ministry during the 2020 -2021 financial year was 330 positions -197 established positions and 133 Government Wage Earners (GWEs).

There was a decrease in staff establishment compared to 2019 – 2020 Financial Year due budget reduction.

(i) Employment Status: As illustrated in Table 1 below, the Ministry employed 318 staff in the 2020 -2021 financial year, of 317 were on contracts and only 1 staff on permanent appointment. A total of 12 posts were vacant as at end of July 2021.



Movement Type	Number of Staff
Appointments	35
Promotions	0
Postings	2
Resignations	9
Deemed resignations	1
Retirements	8
Re-grading	0
End of Contract	19
Termination	0

STAFF DEVELOPMENT

Staff Training is crucial for organisational development and success. Workforce development is fruitful to both the Ministry and the employees. In order to enhance the skills, capabilities and knowledge of the workforce, a Training Policy together with the Learning and Development and an Annual Training Plan is in place to guide the up skilling and capacity building of the Ministry's workforce.

During this financial year, the Ministry had received a reimbursement \$1,920.53 under the FNU Levy Grant Reimbursement for 2020. There was a huge decrease in the Levy Grant reimbursement for 2020 compared to 2019 (\$19,203.67) which was due to the changes announced by the Government through the 2018 – 2019 Budget on the FNU Scheme as at 1st January, 2019. The 1% levy payable by employers are now directed into the following:

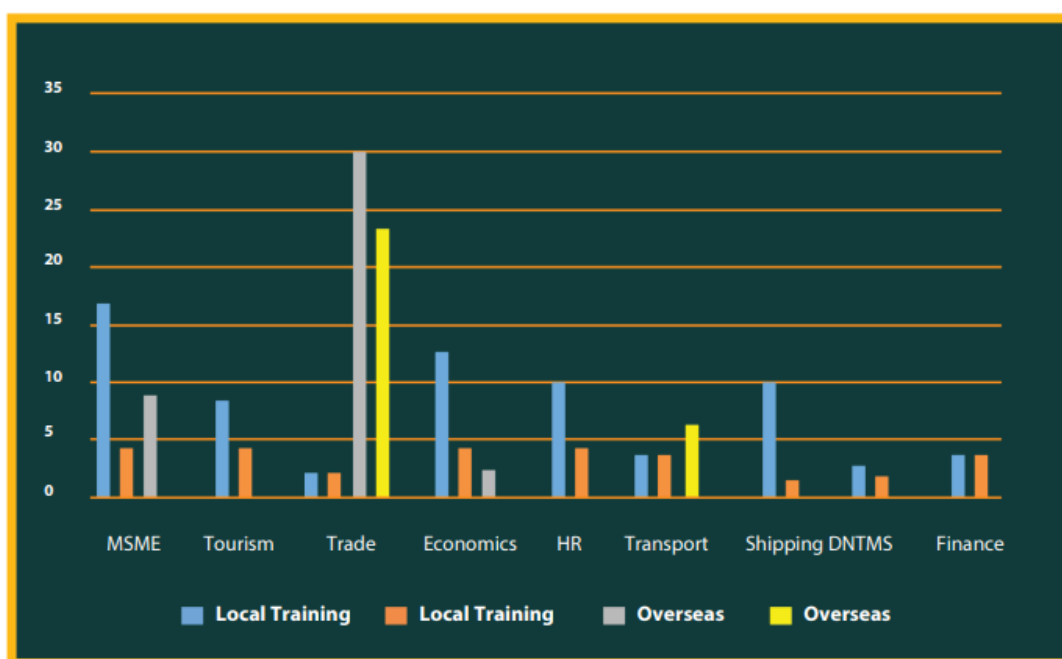
1. 50% of the levy to Fund the Government Funded Medical Scheme;
2. 40% of the levy to Fund the Accident Compensation Commission Fiji; and

3. 10% FNU Training Levy under the Grants Scheme 5 Guideline (maximum of 90% is grant claimable from the 10% Levy paid by the employers).

A total of 97 (31%) officers attended local training, 70 (22%) attended overseas training whilst 2 (1%) staff were granted Study Leave with Pay to pursue further studies. Officers were nominated for training programs and seminars/workshops based on their skill requirement, matched with relevance of training program to their Individual Work Plans. Officers submit Back to Office reports and share the knowledge and experience gained.

Staff capacity building through short courses was affected during this financial year due to the restrictions related to the pandemic. However, certain percentage of the workforce was taken through virtual local and overseas trainings.

STAFF TRAINING (2020/2021)



Leave Management

The Ministry continuously strives to improve its processes. A great achievement for the Ministry had been the development of an online Human Resources Information System (HRIS) which was implemented in the 2019 – 2020 financial year.

This system initially had automated leave management and as such most of the leave applications and processing was being done online.

During the 2020 – 2019 financial year the system was further enhanced and a Minute Submission feature was added. Through this feature staff were able to submit online submissions for approval by the Permanent Secretary through respective Heads of Departments as opposed to hard copy submissions.

This feature, whilst being a paperless work process, proved very essential for work flow especially when staff had to work from home during the pandemic.

Operations during the COVID – 19 Pandemic

The Ministry being an essential service provider continued to provide services throughout the lock downs during the 2020 – 2021 financial year.

Staff of the Ministry under the leadership of the Permanent Secretary assisted by respective Heads of Departments had joined hands during this National crisis to attend to duties beyond their usual roles and responsibilities. Online portals such as COVID Business Pass were also developed and implemented within a very short span of time to assist with national operations.

Internal Human Resources Policies

The Human Resources Unit continues to formulate HR Policies and internal circulars which guides the administrative processes and procedures relating to sta ng matters. The policies are:

- Staff Grievance Policy;
- COVID-19 Policy; and
- Internal Circular on COVID-19 Vaccination Directive.

Staff Rewards

The Ministry as an employer, believes that people are the greatest assets and strategic partners in the Ministry's journey to achieve organisational objectives.

Despite the challenges of the COVID-19 Pandemic, Ministry recognised its workforce through presentation of Special Awards in appreciation for the work done by the staff. Through these awards, 14 officers ranking from Directors to Drivers were recognised for the hard work, commitment and efforts in working over and beyond their core responsibilities during the National crisis.

A special Team Award was also bestowed upon the staff of Government Shipping Services for their operations during the pandemic and natural disasters.

Corporate Social Responsibility

The Ministry continuously strives to give back to the community, particularly the most vulnerable Fijians. Key activities undertaken as part of the Ministry's commitment to its Corporate Social Responsibility (CSR) during the 2020 - 2021 financial year include:

- (i) Donation of rations packs to Age Care Homes around Suva.
- (ii) Staff Get Together were also organised for 2020 Fiji Day and Diwali Celebrations with necessary protocols followed by the staff .

Health and Wellness

The Ministry has allocated Monday and Wednesday afternoons for staff to conduct their own physical activities from 3:30pm to 4:30pm. This is an initiative to promote staff healthy living and wellbeing in the prevention of non-communicable diseases through awareness programmes and physical activities



AGENCY FINANCIAL STATEMENT

OFFICE OF THE AUDITOR GENERAL

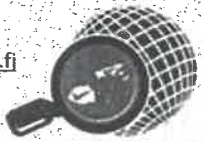
Promoting Public Sector Accountability and Sustainability through our Audits



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File: 344

05 May 2022

The Honourable Faiyaz Koya
Minister for Commerce, Trade, Tourism and Transport
Civic Tower, Level 3
SUVA

Dear Honourable Koya

MINISTRY OF COMMERCE, TRADE, TOURISM AND TRANSPORT
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

Audited financial statements for Ministry of Commerce, Trade, Tourism and Transport for the year ended 31 July 2021 together with my audit report on them are enclosed.

Particulars of the errors and omissions arising from the audit have been forwarded to the management of the Ministry for necessary action.

Sairusi Dukuno
ACTING AUDITOR-GENERAL

cc: Mr. Shaheen Ali, The Permanent Secretary, Ministry of Commerce, Trade, Tourism and Transport.

Encl.



**MINISTRY OF COMMERCE,
TRADE, TOURISM &
TRANSPORT**

AGENCY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY, 2021

MINISTRY OF COMMERCE TRADE TOURISM AND TRANSPORT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

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OFFICE OF THE AUDITOR GENERAL

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INDEPENDENT AUDITOR'S REPORT

Ministry of Commerce, Trade, Tourism and Transport

Report on the Audit of the Financial Statements

I have audited the financial statements of the Ministry of Commerce, Trade, Tourism and Transport, which comprise the Statement of Revenue and Expenditure, Appropriation Statement, Statement of Losses and Trust Account Statement of Receipts and Payments for the year ended 31 July 2021, and the notes to the financial statements including a summary of significant accounting policies.

In my opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the Financial Management Act 2004, the Finance Instructions 2010 and Finance (Amendment) Instructions 2016.

Basis for Opinion

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

Management's Responsibilities for the Financial Statements

The management of the Ministry of Commerce, Trade, Tourism and Transport are responsible for the preparation and fair presentation of these financial statements in accordance with the Financial Management Act 2004, the Finance Instructions 2010, and the Finance (Amendment) Instructions 2016 and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

The management are responsible for overseeing Ministry's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (con't)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- Evaluate the appropriateness of accounting policies used and related disclosures made by the Ministry.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Sairusi Dukuno
ACTING AUDITOR-GENERAL

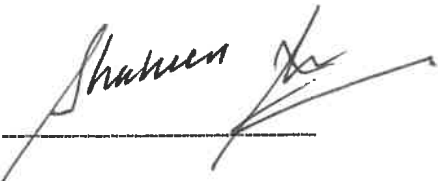


Suva, Fiji
05 May 2022

**MINISTRY OF COMMERCE TRADE TOURISM AND TRANSPORT
MANAGEMENT CERTIFICATE
FOR THE YEAR ENDED 31 JULY 2021**

We certify that these financial statements:

- (a) fairly reflect the financial operations and performance of the Ministry of Commerce Trade Tourism and Transport for the year ended 31 July 2021; and
- (b) have been prepared in accordance with the requirements of the Financial Management Act 2004, the Finance Instructions 2010 and the Finance (Amendment) Instruction 2016.


Mr Shaheen Ali

Permanent Secretary for MCTTT

Date: 28/4/2022


Mrs Joy Khan

Head of Finance for MCTTT

Date: 28/4/22

MINISTRY OF COMMERCE, TRADE, TOURISM AND TRANSPORT
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2021

	Notes	2021 \$	2020 \$
REVENUE			
State Revenue			
Fees		769,772	910,780
Commission		7,033	1,255
Interest Consumer Cooperatives		1,129	1,149
Global Fund		-	5,000
Total State Revenue	3(a)	777,934	918,184
Agency Revenue			
Miscellaneous Revenue		273,950	1,775,090
Total Agency Revenue	3(b)	273,950	1,775,090
TOTAL REVENUE		1,051,884	2,693,274
EXPENDITURE			
Operating Expenditure			
Established Staff	3(c)	5,504,949	3,735,898
Government Wage Earner	3(d)	2,637,889	386,883
Travel & Communication		201,978	251,334
Maintenance & Operations	3(e)	2,026,914	575,419
Purchase of Goods & Services		301,827	210,349
Operating Grant & Transfers	3(f)	37,070,086	13,429,550
Special Expenditure	3(g)	4,070,541	5,833,281
Total Operating Expenditure		51,814,184	24,422,713
Capital Expenditure			
Capital Construction		164,796	206,628
Capital Purchase		-	9,248
Capital Grants & Transfers	3(h)	13,713,297	25,682,270
Total Capital Expenditure		13,878,093	25,898,146
Value Added Tax		270,783	184,995
TOTAL EXPENDITURE		65,963,060	50,505,854

MINISTRY OF COMMERCE, TRADE, TOURISM AND TRANSPORT
APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 JULY 2021

SEG	Item	Budget Estimate (\$)	Appropriation Changes (\$)	Revised Estimate (\$) a	Actual Expenditure (\$) b	Lapsed Appropriation (\$) a-b (Note 4)
1	Established Staff	6,555,608	(1,500)	6,554,108	5,504,949	1,049,159
2	Government Wage Earner	3,248,846	1,500	3,250,346	2,637,889	612,457
3	Travel & Communication	252,100	50,000	302,100	201,978	100,122
4	Maintenance and Operations	3,245,200	(4,942)	3,240,258	2,026,914	1,213,345
5	Purchase of Goods and Services	422,247	38,034	460,281	301,827	158,454
6	Operating Grant and Transfers	38,300,730	118,090	38,418,820	37,070,086	1,348,734
7	Special Expenditure	4,889,562	(305,014)	4,584,548	4,070,541	514,007
	Total Operating Expenditure	56,914,293	(103,832)	56,810,461	51,814,184	4,996,277
	Capital Expenditure					
8	Capital Construction	614,796	-	614,796	164,796	450,000
9	Capital Purchase	-	-	-	-	-
10	Grants and Transfers	28,736,061	(100,000)	28,636,061	13,713,297	14,922,764
	Total Capital Expenditure	29,350,857	(100,000)	29,250,857	13,878,093	15,372,764
13	Value Added Tax	848,225	(5,168)	843,057	270,783	572,274
	TOTAL EXPENDITURE	87,113,375	(209,000)	86,904,375	65,963,060	20,941,315

MINISTRY OF COMMERCE, TRADE, TOURISM AND TRANSPORT
APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 JULY 2021

(continued)

Details of Appropriation Changes

The Permanent Secretary for Ministry of Economy approved the following virement of funds during 2020-2021 Financial year.

Virement No.	From	To	Amount (\$)
V34001	SEG 1	SEG 2	5,000
	SEG 2	SEG 2	15,000
V34002	SEG 1	SEG 1	27,400
	SEG 2	SEG 1	3,550
	SEG 2	SEG 2	9,450
V34003	SEG 2	SEG 2	690
	SEG 1	SEG 1	300
	SEG 1	SEG 2	50
Total			61,440

Date	Ministry Serial #	Virement From	Amount \$	Virement To	Amount \$	MOE Virement #
14/10/20	02/2020-21	1-34801-34801-020401	15,000	1-34701-34701-020329	20,000	V34001
		1-34801-34801-010401	5,000			
25/3/21	06/2020-21	1-34101-34101-010101	10,000	1-34101-34101-010303	14,620	V34002
		1-34101-34101-020401	3,550			
		1-34601-34601-010401	1,070			
		1-34201-34201-010401	4,000	1-34201-34201-010303	11,200	
		1-34401-80101-010401	2,000			
		1-34501-31999-010401	3,000			
		1-34601-34601-010401	2,200			
		1-34801-34801-010401	5,000	1-34601-34601-010303	5,130	
		1-34601-34601-010401	130			
		1-34101-34101-020401	9,450	1-34101-34101-020329	7,500	
				1-34301-91011-020329	1,550	
				1-34601-34601-020301	400	
2/8/2021	10/2020-21	1-34201-34201-020401	160	1-34201-34201-020101	20	V34003
				1-34201-34201-020201	140	
		1-34301-91011-020401	120	1-34301-91011-020201	120	
		1-34401-80101-010401	300	1-34401-80101-010201	300	
		1-34402-80201-010303	50	1-34402-80201-020201	50	
		1-34403-91013-020401	80	1-34403-91013-020101	40	
				1-34403-91013-020201	40	
		1-34501-31999-020401	70	1-34501-31999-020201	70	
		1-34601-34601-020401	50	1-34601-34601-020201	50	
		1-34801-34801-020401	210	1-34801-34801-020201	210	
Total			61,440		61,440	

MINISTRY OF COMMERCE, TRADE, TOURISM AND TRANSPORT
APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 JULY 2021

(continued)

Details of Appropriation Changes

The Permanent Secretary for Ministry of Commerce, Trade, Tourism and Transport approved the following virement under delegation from the Minister of Economy.

Virement No.	From	To	Amount (\$)
DV3403	SEG 4	SEG 7	18,349
	SEG 13	SEG 13	1,651
DV3404	SEG 7	SEG 7	11,000
	SEG 13	SEG 13	990
DV3405	SEG 7	SEG 6	1,803
DV3406	SEG 4	SEG 4	8,000
	SEG 13	SEG 13	720
	SEG 5	SEG 7	609
DV3407	SEG 7	SEG 4	13,407
	SEG 7	SEG 7	30,000
	SEG 7	SEG 13	3,832
DV3408	SEG 7	SEG 5	38,643
	SEG 13	SEG 13	3,477
DV3409	SEG 7	SEG 6	116,287
	SEG 7	SEG 3	50,000
	SEG 13	SEG 13	3,780
Total			302,548

MINISTRY OF COMMERCE, TRADE, TOURISM AND TRANSPORT
APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 JULY 2021

(continued)

Details of Appropriation Changes

Date	Ministry Serial #	Virement From	Amount \$	Virement To	Amount \$	MOE Virement #
25/8/2020	01/2020-21	1-34801-34801-040203	18,349	1-34101-34101-070206	18,349	DV3403
		1-34801-34801-130101	1,651	1-34101-34999-130101	1,651	
31/12/2020	03/2020-21	13430191011071010	11,000	13410134101070206	11,000	DV3404
		13430134999130101	990	13410134999130101	990	
19/1/2021	04/2020-21	13450131999071337	1,803	13450131999060631	1,803	DV3405
22/1/2021	05/2020-21	13480134801040399	8,000	13410134101040521	8,000	DV3406
		13480134801130101	720	13410134999130101	720	
		13440180101050151	609	13440180101070338	609	
7/4/2021	07/2020-21	1-34201-34201-071331	47,239	1-34101-34101-040216	13,407	DV3407
				1-34101-34101-070206	30,000	
				1-34101-34999-130101	3,832	
30/6/2021	08/2020-21	1-34201-34201-079911	23,000	1-34101-34101-050151	38,643	DV3408
		1-34201-34201-071334	15,643			
		1-34201-34999-130101	3,477	1-34101-34999-130101	3,477	
15/7/2021	09/2020-21	1-34201-34201-071331	166,287	13420134201060112	116,287	DV3409
				13410134101030401	8,000	
				13420134201030401	8,000	
				13430191011030401	5,000	
				13440180101030401	5,000	
				13440280201030401	5,000	
				13440391013030401	5,000	
				13450131999030401	5,000	
				13460134601030401	2,000	
				13470134701030401	5,000	
				13480134801030401	2,000	
		1-34201-34999-130101	3,780	13410134999130101	720	
				13430134999130101	450	
				13440180101130101	450	
				13440280201130101	450	
				13440391013130102	450	
				13450131999130101	450	
				13460134601130101	180	
				13470134701130101	450	
				13480134801130101	180	
Total			302,548		302,548	

MINISTRY OF COMMERCE, TRADE, TOURISM AND TRANSPORT
STATEMENT OF LOSSES
FOR THE YEAR ENDED 31 JULY 2021

Losses of Money

There was no loss of money recorded for the year ended 31 July 2021.

Losses of Revenue

There was no loss of revenue recorded for the year ended 31 July 2021.

Losses of Assets (other than Money)

The Board of Survey was conducted by Ministry of Commerce, Trade, Tourism and Transport and the following items worth **\$110,730.35** were recommended for write-off and approved by Permanent Secretary for Ministry of Economy for the year ended 31 July 2021.

Office	Amount \$
Fiji Trade Commission – Australia	1,434.11
Finance Unit	1,543.30
Human Resources Unit	10.00
IT Unit	42,000.00
DNTMS - Office, Bulk & Lab	380.00
DNTMS – Labasa	7,498.00
DNTMS – Lautoka	11,185.00
Dept. Co-operatives – Lami	2,875.00
Dept. Co-operatives – Labasa	965.00
Dept. Co-operatives – Sigatoka	470.00
NCSMED – Rakiraki	15.00
NDP – Labasa	13,473.00
Government Shipping Services	28,881.94
Total	110,730.35

MINISTRY OF COMMERCE, TRADE, TOURISM AND TRANSPORT
CO-OPERATIVE TRUST ACCOUNT STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 JULY 2021

	Notes	2021 \$	2020 \$
<u>RECEIPTS</u>			
Cooperative Training Institute			
Training Fees		-	7,700
Interest Received		1,392	1,361
		<u>1,392</u>	<u>9,061</u>
National Cooperative Federation			
Sales - Stationery		510	613
		<u>510</u>	<u>613</u>
Total Receipts		<u>1,902</u>	<u>9,673</u>
<u>PAYMENTS</u>			
Cooperative Training Institute			
Bank Charges		263	212
Repair & Maintenance - CCF		4,950	-
Stationery		1,010	2,260
Interest Paid to Revenue		1,129	1,149
		<u>7,352</u>	<u>3,621</u>
National Cooperative Federation			
Stationery		-	-
FRCS		46	869
		<u>46</u>	<u>869</u>
Total Payments		<u>7,398</u>	<u>4,490</u>
Net (Deficit)/Surplus		(5,496)	5,183
Balance as at 1 August 2020		113,916	108,732
Closing Balance as at 31 July 2021	5(a)	<u>108,420</u>	<u>113,916</u>

**MINISTRY OF COMMERCE, TRADE, TOURISM AND TRANSPORT
INTEGRATED HUMAN RESOURCE DEVELOPMENT PROGRAMME TRUST
ACCOUNT STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 JULY 2021**

	Note	2021 (\$)	2020 (\$)
<u>RECEIPTS</u>			
<u>Community Contributions:</u>			
Wai Farmers' Co-Operative		18,650	-
Lovu Co-Operative Limited		9,000	-
Navutulevu Development Enterprise		19,875	-
Nabonu Land Purchase Co-Operative		14,000	-
Mataqali Koroitose		8,383	-
Interest Received		-	-
Total Receipts		69,908	-
<u>PAYMENTS</u>			
Bank Charges		35	73
Refund - CFA		2,546	-
Refund - Koronivia Vegetable Farmers		2,000	-
Refund - Nasuatoka Youth Club		5,000	-
Tractor - Wai Farmers' Co-Operative		18,650	-
Fiberglass Boat & Safety Kit - Lovu Co-Operative Limited		2,322	-
Outboard Engine - Lovu Co-Operative Limited		1,575	-
Premix - Lovu Co-Operative Limited		97	-
Solar Panel & Freezer Installation - Lovu Co-Operative Limited		3,168	-
Portable Sawmill & Materials - Navutulevu Development Enterprise		14,435	-
Carpentry Tools & Machinery - Navutulevu Development Enterprise		3,983	-
Hardware Materials - Mataqali Koroitose		1,592	-
Beekeeping Materials - Mataqali Koroitose		6,790	-
4WD - Nabonu Land Purchase Co-Operative		13,255	-
Total Payments		75,448	73
Net Deficit		(5,541)	(73)
Balance as at 1 August 2020		89,016	89,089
Closing Balance as at 31 July 2021	5(b)	83,475	89,016

MINISTRY OF COMMERCE, TRADE, TOURISM AND TRANSPORT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

NOTE 1: REPORTING ENTITY

The Ministry of Commerce, Trade, Tourism and Transport formulates and implements policies and strategies to facilitate growth in industry, investment, trade, tourism, co-operative businesses, transport, micro small and medium enterprises; and enhance metrology, standards and consumer protection.

These roles and responsibilities are undertaken by the Economic Unit, Trade Unit, Tourism Unit, Department of National Trade Measurement and Standards, Department of Co-operative Business, MSME Fiji, Transport Unit, Government Shipping Services and Corporate Services Division, within the Ministry, including Trade Commissions in New Zealand, North America, China, and Australia. The Ministry is supported by seven (7) statutory organizations namely Consumer Council of Fiji, Investment Fiji, Film Fiji, Tourism Fiji, Real Estate Agents Licensing Board, Land Transport Authority and Maritime Safety Authority of Fiji.

The Department of Town and Country Planning was transferred from Ministry of Local Government to Ministry of Commerce, Trade, Tourism and Transport as per the Cabinet Decision File Reference number C01/10-II of 23 August 2021. The transitions was effective from 24 August 2021 as per the cabinet decision.

NOTE 2: STATEMENT OF ACCOUNTING POLICIES

a) Basis of Accounting

In Accordance with Government accounting policies, the financial statement of the Ministry of Commerce, Trade, Tourism and Transport is prepared on cash basis of accounting. All payments related to purchase of fixed assets have been expensed.

The financial statements are presented in accordance with the Financial Management Act and the requirements of Section 71(1) of the Finance Instruction 2010 and the Finance (Amendments) Instruction 2016. The preparation and presentation of a Statement of Assets and Liabilities is not required under the current Government policies, except for that of the Trade and Manufacturing Accounts.

b) Accounting for Value Added Tax (VAT)

All income and expenses are VAT exclusive. The Ministry on a monthly basis calculates VAT output on total vatable revenue received by the Ministry. However, the Ministry does not claim VAT input on payments made to the suppliers and sub-contractors for expenses incurred.

The VAT payment as per the Statement of Revenue and Expenditure relates to the VAT received on revenue and paid to Fiji Revenue and Customs Services. Actual amount paid to Fiji Revenue and Customs Services during the year represents only VAT output.

c) Comparative Figures

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

MINISTRY OF COMMERCE, TRADE, TOURISM AND TRANSPORT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

(continued)

d) Revenue Recognition

The major source of revenue for the Ministry is fees collected by the National Trade Measurements Standards assessments. Revenue is recognized when actual cash are received by the Ministry.

NOTE 3: SIGNIFICANT VARIATIONS

- a) The total State Revenue decreased by \$140,250 or 15% in 2020-2021 compared to 2019-2020. The main contributor for the revenue is the fees and charges collected by the Department of National Trade Measurements and Standards. Hence due to COVID-19 restrictions in the country, impacted the decrease in revenue collection for the department.
- b) Total Agency Revenue decreased by \$1,501,140 or 85% in 2020-2021 compared to 2019-2020, due to refund of \$1.5m from Fiji Development Bank for Micro, Small Business Grant (MSBG) grant funds for 2018-2019 financial year which was recorded in 2019-2020 financial year. The rest of the funds are recorded within the financial year for Northern Development Programme grant refunds, Overpayment Recoveries (OPR) for previous years, refund from Fiji National University for levy and IHRDP balance of fund and miscellaneous fees collected by Trade Commission Australia to facilitate Immigration and BDM services.
- c) The Establish Staff expenses increased by \$1,769,052 or 47% in 2020-2021, since the budget for Transport and Government Shipping Services (GSS) department is allocated with the Ministry in the new financial year after the merger in April 2020. Total budget of \$2,361,168 was allocated for Establish Staff for Transport and Government Shipping Services (GSS) department and became the major contributor in increase of the expenditure.
- d) The Government Wage Earners expenses increased by \$2,251,006 or 582%, since the budget for Transport and Government Shipping Services (GSS) department is allocated with the Ministry in the new financial year after the merger in April 2020. Total budget of \$2,872,902 was allocated for Government Wage Earners for Transport and Government Shipping Services (GSS) department and became the major contributor in increase of the expenditure.
- e) The Maintenance and Operations expenses increased by \$1,451,495 or 252%, since Transport and Government Shipping Services (GSS) department budget is allocated with the Ministry now, after the merger in April 2020. Hence the maintenance and operations budget of \$2,853,000 was allocated under Transport and Government Shipping Services department which is the major contributor in the increase of the expenditure.

MINISTRY OF COMMERCE, TRADE, TOURISM AND TRANSPORT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

(continued)

- f) The Operating Grants and Transfers expenses increased by \$23,640,535 or 176% in 2020-2021, since Transport and Government Shipping Services (GSS) department budget is allocated with the Ministry now, after the merger in April 2020. Hence the operating grants and transfer budget of \$26,612,590 was allocated under Transport department for Land Transport Authority (LTA) and Maritime Safety Authority of Fiji (MSAF), payment of grants contributed towards increase in the expenses.
- g) The Special Expenditure decreased by \$1,762,740 or 30% in 2020-2021, due to removal of budget line item such as Establishment of Trade Commissioner – India, Fiji China Trade Agreement Negotiation Meeting, Trade Policy Framework, Fijian Host, Stakeholder Capacity Building, Fiji Tourism Forum and MSBG India Grant. Also there was decrease in the budget for the following budget line items such as National Youth Awards, Doing Business Reforms, Consulate General/Trade Commission Australia, Consulate General/Trade Commission China, Non Resident Trade Commission to Pacific Island Countries, Trade Negotiations and Meetings, Fijian Made Buy Fijian Campaign, New Zealand Trade Office Support, Skilled Professional Evaluation Committee, Ministerial Trade Delegation, Contribution to World Trade Organisation, Trading Standards, International Cooperative Day, Cooperative Tribunal, National Cooperative Federation, Tourism Events, Tourism Research, Survey Expenses, Hotel Data Collection System and Implementation of Tourism Development Plan. The decrease in the budget and removal of some budget line items has shown less expenditure made by the Ministry under special expenditure.
- h) The Capital Grants and Transfers Expenditure decreased by \$11,968,973 or 47% in 2020-2021 as the Micro & Small Business Grant Scheme and Research & Innovation Scheme for Enterprise budget were removed. Also, partial release of second quarter marketing grant and in full amount of third quarter grant was not released to Tourism Fiji due to COVID-19 pandemic and less Tourism activities. Also, budget was decreased in 2020-2021 financial year for Special Economic Zone, Tourism Fiji and Young Entrepreneurship Scheme.

NOTE 4: APPROPRIATION STATEMENT – DETAILS OF SIGNAFICANT SAVINGS

SEG	Item	Revised Estimate	Actual Expenditure	Lapsed Appropriation		Remarks
		(\$)	(\$)	(\$)	(%)	
1	Established Staff	6,554,108	5,504,949	1,049,159	16	The savings was due to staff movement and vacant positions.
2	Government Wage Earner	3,250,346	2,637,889	612,457	19	
3	Travel & Communication	302,100	201,978	100,122	33	The savings was due to controls implemented to reduce expenditure for meal allowance, subsistence allowance and travel cost. Also due to COVID-19 and lockdowns there was less travelling.

MINISTRY OF COMMERCE, TRADE, TOURISM AND TRANSPORT
NOTES TO FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

(continued)

4	Maintenance and Operations	3,240,258	2,026,913	1,213,345	37	The savings was due to controls imposed to reduce paper utilization, IT consumables, office equipment and use of energy. Also less expenditure was noted for GSS such as vessel – fuel & oil, docking & maintenance works for the vessels and purchase of supplies for vessels. Due to COVID-19 and lockdowns there was less movements.
5	Purchase of Goods and Services	460,281	301,827	158,454	34	The savings was due to controls implemented to reduce expenditure.
6	Operating Grant and Transfers	38,418,820	37,070,086	1,348,734	4	The savings was due to the non-release of grant to Film Fiji (\$179,450) and REALB (\$79,432) as they had sufficient savings to cater for their operations. Also less expenditure was noted in NCSMED vote due to all expenditures paid by the Ministry. Also there was less franchise trips taken by the vessel companies to outer islands for the uneconomical routes due to lockdowns and COVID-19 restrictions.
7	Special Expenditure	4,584,548	4,070,541	514,007	11	The major contributors of savings in SEG 7 are National Youth Awards, Doing Business Reform, Trade Commission North America and PNG, Fijian Made Buy Fijian Campaign, Trading Standard, Quality Control Enforcement, International Cooperative Day, Tourism Events, Tourism Research and Survey Expenses, due to COVID-19 most of the activities did not take place due to travel restrictions, lockdowns, social gathering and distancing laws.
8	Capital Construction	614,796	164,796	450,000	73	The following activities did not take place in the financial year; construction of retaining wall at government wharf phase 1 (\$200,000) and upgrade of government shipping vessels (\$250,000). Retaining wall is led by CIU and is currently on tender, they are working with the contractors on design specifications of the wall.
10	Grants and Transfers	28,636,061	13,713,297	14,922,764	52	The saving was due to partial release of second quarter marketing grant and in full amount of third quarter grant was not released to Tourism Fiji (\$13,900,950) due to COVID-19 pandemic and less Tourism activities. Also savings were noted in Special Economic Zone programme which had less activities due to COVID-19. Also Maritime Safety Authority of Fiji did not request for their capital grant (\$495,578) from the Ministry, therefore it was not released.

MINISTRY OF COMMERCE, TRADE, TOURISM AND TRANSPORT
NOTES TO FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

(continued)

NOTE 5: TRUST FUND ACCOUNTS

a) Co-operative Trust Fund Account

The Trust Fund Account was established to administer the training services delivered to Co-operative members. The receipts consist of fees charged to trainees and payment relates to the operation of the training institutes.

As at 31 July 2021, there were funds amounting to \$108,420.09 in the Co-operative Trust Account.

b) Integrated Human Resource Development Program (IHRDP) Trust Fund Account

The Integrated Human Resources Development Programme is established pursuant to section 66 of the National Employment Centre Act 2009 (Act), as a designated self employment service under the Act.

The Programme was designed to address unemployment and improve livelihood of semi-urban and rural communities in a holistic and integrated approach for all relevant stakeholders. This is achieved through the provision of quality business skills training and advice for unemployed persons and retirees to facilitate their active participation in the formal, informal and rural employment markets through creation and sustaining of their own small or micro-enterprises or other forms of self-employment.

The primary objective of the Programme is to:

- Facilitate an enabling environment for business investment through economic and empowerment in communities and settlements;
- Create jobs through direct interventions in the informal and semi-formal sectors particularly in the pen-urban, rural and remote areas; and
- Make jobs sustainable through skills development and encouraging self-employment.

The primary objective of the Programme is to:

- Facilitate an enabling environment for business investment through economic and empowerment in communities and settlements;
- Create jobs through direct interventions in the informal and semi-formal sectors particularly in the pen-urban, rural and remote areas; and
- Make jobs sustainable through skills development and encouraging self-employment.

The Trust Account shall have contribution from the following sources:

- Fijian Government grants;

MINISTRY OF COMMERCE, TRADE, TOURISM AND TRANSPORT
NOTES TO FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

(continued)

- Cash contribution from projects recipients of not more than 25% of the projects costs, to support operational and equipment cost for the project;
- Monies held on behalf of the project recipients under the Trust Account; and
- Development partners, donor agencies and government ministries who wish to support IHRDP projects.

In particular the Trust account shall meet the following approved expenditure items:

- Purchases of equipment for projects;
- Purchases of other project related items;
- Payment of project operational expenses;
- Purchases of materials needed for improvement of project;
- Payment of wages for project workers;
- Payment for project related expenses and
- Payment for bank fees.

As at 31 July 2021, the amount of \$83,474.72 was in the IHRDP Trust Bank Account. The banks fees and charges are catered from the funds that are available in the account.

Projects	Amount \$
Viria/Muaniweni	24,788.10
Matainasau Bakery	1,525.99
Nawaqabena	6,934.82
Lawaki Bakery Project	11,429.54
Waimalua Ginger Farmers	(2.00)
Gusuisavu Bakery	(719.42)
Dakuivuna	2,400.00
Silana Eco Tourism	5,000.00
Lovu Farmers Cooperative	1,838.41
ROI (Seaweed)	12,856.21
Naicabecabe Sewing Project	4,119.80
Vitogo Bee Keeping Project	10,405.80
Mataqali Koroitose	0.59
Navutulevu Development Enterprise	1,456.08
Tosovata Womens Club	1,200.00
Nabonu Land Purchase	745.00
Total	83,978.92
Less Bank Charges	504.20
Total Available in Bank Account	83,474.72

MINISTRY OF COMMERCE, TRADE, TOURISM AND TRANSPORT
NOTES TO FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

(continued)

NOTE 6 : STANDARD LIABILITY GROUP (SLG)

a.) Cost Sharing

Government Shipping Services has twelve (12) vessels which are utilized for providing services to Maritime Islands. Ministries/Departments and others Agencies hire Government Shipping Services vessels and share cost (operational) to take their services to Maritime Islands. They share the cost of voyage in regards to ration, fuel and/or seagoing allowance. The funds received by the Ministry is journalized to SLG84 allocation. Hence below is the list of agencies with amounts paid:

Particulars	Amount \$
Commission Eastern Division	70,434.31
Fiji Police Force	19,268.11
RFMF	630.00
Water Authority of Fiji	270.00
Fiji Navy	589.09
Ministry of Justice (Judicial Department)	23,342.08
Commissioner Eastern Division	13,492.80
Ministry of Rural Maritime Development & Disasters Management	213,531.56
Ministry of Fisheries	26,470.24
Legal Aid	1,152.00
Luke Rowalai	72.00
Solar Wind	72.00
Fiji Times	90.00
Ministry of Forestry	1,440.00
BSP Life	414.00
Ministry of Health	24,496.56
UNDP	9,339.88
Anare Johnson	324.00
Gold Hold Market	90.00
Marika Nakanacagi	227.50
Jitoko Villiame	396.00
Ministry of iTaukei Affairs	9,956.42
Freshet	2,160.00
Lau Provincial Council	1,908.00
Empower Pacific	41,836.07
Ministry of Women	990.00
Total	462,992.62

MINISTRY OF COMMERCE, TRADE, TOURISM AND TRANSPORT
NOTES TO FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

(continued)

b.) Apprenticeship Scheme

The 5 and 20 years nation's development plan with the vision of "Transforming Fiji" maps out way forward for Fiji and all Fijians to realize full potential as a nation. The 5 year development provides detailed actions and specific target and policies that are aligned to the long term transformation 20 year plan. One key focus area is Quality Education for all to create more skilled and adaptable workforce through enhancing technical, vocational and lifelong skills by reviving apprenticeship scheme through the Training and Productivity Authority of Fiji.

To meet the skills requirements of the Industries specialized training and skill development to be provided in collaboration with the Tertiary Institutions while strengthening the Apprenticeship scheme.

The Department of Government Shipping Services currently has 10 Apprentice serving under the National Training & Productivity Centre of the Fiji National University (NTPC) The Apprenticeship contract is valid for 4 years commenced on 26 June 2018 (1st Year) and completing on 25 June 2022 (Final Year) successfully completing program.

The Apprenticeship course is classified into two categories (Trades) Navigation and Seamanship that engages 7 students and Marine Engineering 3 students respectively. These Apprentices will become skilled in their particular field combining hands-on work with classroom learning.

The employer has to provide progressive report on the job training, experience and to release the apprentice the wages not less than the rates in the approved Apprentice Minimum Wages Order:

For the 1st year apprenticeship \$4.17 per hour

For the 2nd year apprenticeship \$4.46 per hour

For the 3rd year apprenticeship \$4.90 per hour

For the 4th year apprenticeship \$6.29 per hour

A budgeted fund is required to honor and fulfill this contract agreement and also pay all fees in connection with classes/ course which the apprentice is required to attend, provide personal protective equipment and basic safety training.

Hence the funds are allocated under Ministry of Employment, for which the Ministry has to request for the release of funds quarterly. Request was made for release of first and second quarter funds which was released by Ministry of Employment amounting to **\$77,460.24** for the payment of Wages, FNPF, Tuition fees, Basic Safety Training and Deck Apprentice Course.

