

FISCAL YEAR

2025-2026

# CITIZENS' GUIDE TO THE NATIONAL BUDGET

Ministry of Finance,  
Strategic Planning,  
National Development  
and Statistics



Republic of Fiji



*"Building Security, Stability and Prosperity"*

# What is a National Budget?



A National Budget is a financial plan that outlines a Government's estimated revenues and expenditures for a particular financial year. It serves as a blueprint for the Government's financial activities including its priorities, policies and medium-term economic and fiscal goals.

## Purpose of this Citizen's Guide

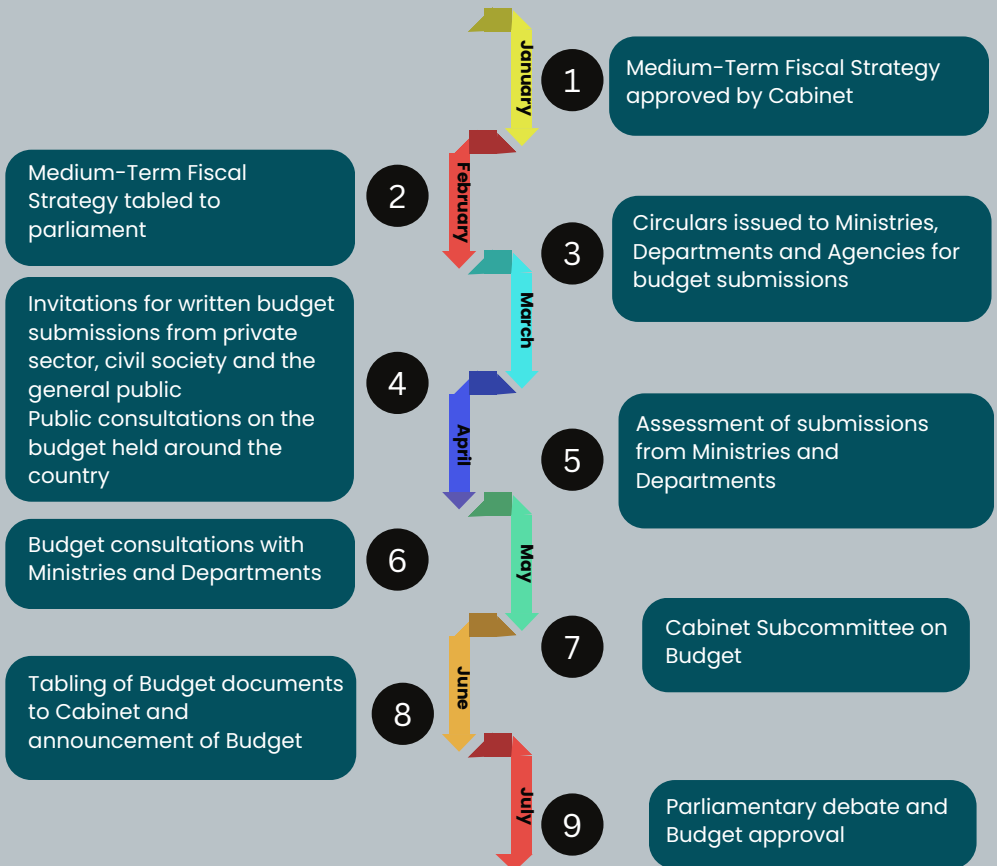
As per section 13(5)(c) of the Financial Management (Amendment) Act 2021, the Permanent Secretary responsible for Finance must publish:

"a user-friendly summary of the annual budget within one month after the date the annual budget is approved by Parliament"

This Citizens Budget Guide provides a brief description of the budget process, macroeconomic outlook, major revenue and expenditure policies and the medium-term fiscal framework.



## Budget Design and Approval Process



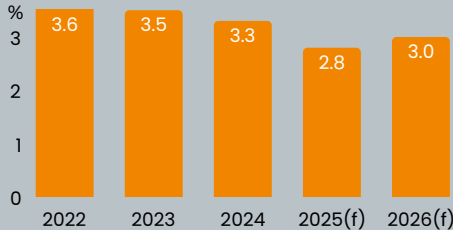
# Economic Outlook

This section provides a brief update on the recent outlook of the global and domestic economy.

## Global Economy



The global economy is projected to grow by 2.8% in 2025 and 3.0% in 2026.



Source: International Monetary Fund

## Major Risks & Challenges



Geopolitical conflicts



Global trade tensions



Commodity price volatility



Impact of U.S. tariffs



Slow progress on capital projects

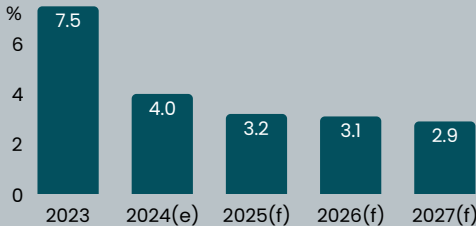


Climate Change & Natural Disasters

## Domestic Economy



The Fijian economy is projected to grow by 3.2% in 2025 and 3.1% in 2026.



Source: Fiji Bureau of Statistics & Macroeconomic Committee



982,938

Visitor Arrivals



\$1.4 Billion

Remittances

## Outlook for Key Economic Indicators - 2025



\$2.6 Billion

Tourism Earnings



1.1%

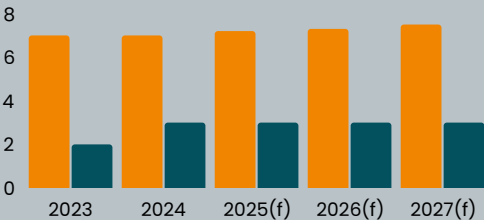
Annual Average Inflation

## Trade

\$Billion

Imports

Exports

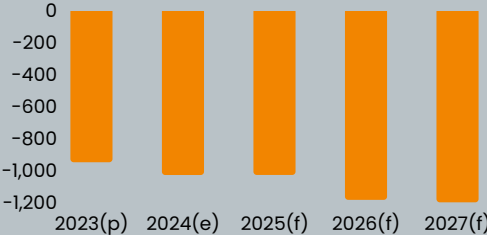


Source: Fiji Bureau of Statistics & Macroeconomic Committee

Fiji's imports are expected to rise steadily from \$7.0 billion in 2024 to \$7.5 billion by 2027, while exports are expected to rise from \$2.6 billion to \$2.9 billion over the same period.

## Current Account Balance

\$Million



Source: Fiji Bureau of Statistics & Macroeconomic Committee

Fiji's current account balance is projected to widen from an estimated \$1.0 billion in 2024 to \$1.2 billion in 2027.

# National Development Plan and Vision 2050

The NDP 2025–2029 and Vision 2050 sets a comprehensive and strategic path for Fiji's short and medium-term development. The vision ***"Empowering the people of Fiji through Unity"*** places the people at the center of development and sets out an ambitious yet pragmatic roadmap to build a future that is vibrant, inclusive and sustainable, aligned with the 2030 Agenda for Sustainable Development and long-term aspirations of Vision 2050.

## 3 Pillars of the NDP

01

### Economic Resilience

- Building Macroeconomic Confidence and Stability
- Fostering International and Regional Relations
- Sustainably Managing Natural Resources
- Catalysing Economic Growth and Diversifying the Economy

02

### People Empowerment

- Uplifting Socioeconomic Wellbeing
- Developing Public Infrastructure, Protecting Environment and Addressing Climate Change

03

### Good Governance

- Committing to Governance, Institutional and State Owned Entity Reforms



## 5 X Factors

Promoting private sector participation in the economy and rationalising the role of Government

Promoting R&D&I and technology adoption

Intensifying rural and outer island development

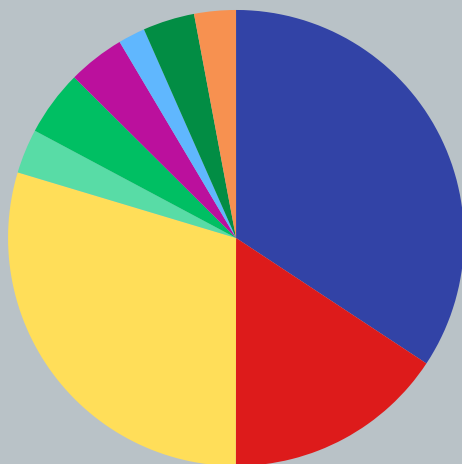
Strengthening resilience against natural disasters and climate change

Commitment to implementation and accountability



# FY2025–2026 Revenue Forecast

## GOVERNMENT WILL COLLECT: \$3,947.4 MILLION



- Value Added Tax: \$1,353.0 million
- Direct Taxes: \$1,169.5 million
- Customs Taxes: \$621.4 million
- Fees, Fines and Charges: \$183.3 million
- Grants in Aid: \$124.4 million
- Dividends from Investments: \$159.1 million
- Departure Tax: \$144.6 million
- Others: \$116.6 million
- Water Resource Tax: \$75.5 million

## Key Revenue Policies



### Strengthening Tax Compliance

To strengthen tax compliance, all businesses with a turnover of \$50,000 or more will be required to register for the VAT Monitoring System (VMS) starting 1 January 2026. While the VAT registration threshold remains at \$100,000, asset declaration will become mandatory for sole traders.



### Departure Tax

As part of the 2024–2025 National Budget, the departure tax increased from \$140 to \$170 effective 1 August 2024, and will rise further to \$200 from 1 August 2025. This phased increase is expected to generate an additional \$20.0 million in revenue.



### Fringe Benefits Tax (FBT)

From 1 January 2026, reduced FBT rates will apply to electric vehicles, with rates ranging from \$1,000 to \$2,500 per quarter based on vehicle cost, plus 2% for amounts over \$100,000.



### **Local Artists Tax Deduction**

The tax deduction for employment of local artists will be expanded to include all businesses that hire artists on a full-time basis. The allowable tax deduction rate will be reduced from 300% to 150%.



### **Tax Incentive for Tour Operators**

A new Tax incentive with a 25% investment allowance will be available to new investments made by businesses involved in tour activities. The minimum threshold to qualify for the investment allowance is \$100,000.



### **Tax Free Region (TFR) and Sub-Division of Land Incentives**

The TFR will be extended to the Wainadoi region for businesses who invest in activities such as waste management, recycling and renewable energy.

The Sub-Division of Land Incentive will be extended until 31 July 2027.



### **Tax Deductions for Donations**

Businesses will receive a 150% tax deduction for donations to accredited start-up support programs, and a 100% deduction for donations to health centers, aged care homes, orphanages, and drug rehabilitation centers.



### **Renewable Energy Projects**

The tax holiday in relation to the Renewable Energy and Power Cogeneration projects will be increased from 5 years to 10 years.



### **Carbon Trading**

The income of businesses engaged in carbon trading will be exempted from income tax.

# Addressing the Cost of Living



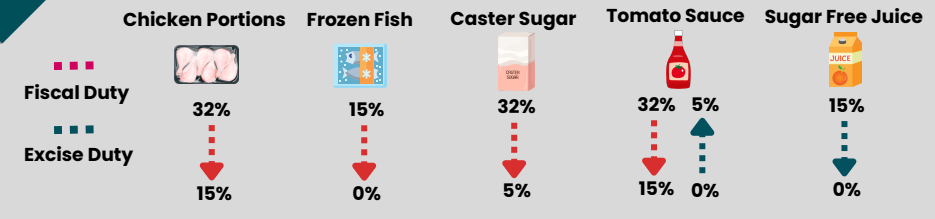
## VAT Rate Reduced to 12.5%

To help reduce the cost of living, the Government will lower the VAT rate from 15% to 12.5% starting 1 August 2025, saving Fijians an estimated \$250 million. The zero-rated VAT on 22 essential items will also continue in FY2025–2026.



## Fiscal and Excise Duty Changes

To ease cost-of-living pressures and expand consumer choice, the 2025–2026 Budget introduces several duty reductions on common food items.



## Price Monitoring Enforcement Taskforce

To ensure consumers benefit from tax reductions, a Price Monitoring and Enforcement Taskforce has been established, involving the FCCC, Consumer Council, FRCS, and Ministry of Finance. The Taskforce will monitor prices, address non-compliance, and recommend actions such as price controls, tariff adjustments, and stricter penalties to protect consumer interests.

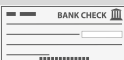


## Opening of New Import Pathways

The Government will review biosecurity rules to allow food imports from more trusted countries, reducing reliance on limited suppliers and helping lower prices, while maintaining safety standards.



## Social Welfare and Government Pensioners



A 5% increase in monthly allowance for all social welfare recipients and Government pensioners.



\$4.0M for the reinstated pension payments for pensioners affected by the 2012 pension reforms.



### Bus Fare Subsidy

Government will provide a 10% bus fare subsidy to all commuters from 1 August 2025 to 31 July 2026, costing around \$10.0 million. An additional \$50.0 million is allocated for subsidizing student bus fares (blue card holders – free travel, yellow card holders – 50% subsidy).



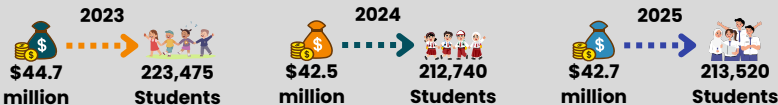
### Subsidies for Vulnerable Households

\$25.0 million is also provided for free water, medicine and electricity subsidy for households with a combined income of \$30,000 or less.



### \$200 Back to School Assistance

A sum of \$40.0 million has been allocated in FY2025–2026.



### Civil Servant Pay Rise

Civil servants will receive an additional 3% pay rise. A sum of \$50.0 million has been allocated in FY2025–2026 for the increase in wages and salaries of civil servants, certain independent institutions and the Fiji Corrections Service.

## Strengthening Law Enforcement



### Ministry of Policing

The Government established the Ministry of Policing earlier this year to strengthen public trust in law enforcement. A total of \$3.8 million is allocated to support its operations in the 2025–2026 Budget.



### Expanding the Police Force

To support internal security, the Fiji Police Force has been allocated \$240.3 million in the 2025–2026 Budget, an increase of \$13.5 million from the previous year.





### Strengthening Border Protection

Government remains firmly committed to strengthening Fiji's border security, which is critical for the economy, for sovereignty and the safety of every citizen. New measures will be undertaken to further improve border security:



Construction of a new Container Examination Facility



Expansion of K9 detection capability to Savusavu



Enhanced coastal enforcement capability



Development of a Maritime Single Window



### Narcotics Bureau

To lead Fiji's response to the drug crisis, the Narcotics Bureau under the Ministry of Policing will coordinate efforts to combat drug trafficking and substance abuse. It will serve as the central agency for inter-agency coordination, border enforcement, and intelligence-led operations to dismantle drug networks.



### TIN Requirement for Mobile Wallets

To prevent tax evasion, money laundering, and underground economic activity through digital wallets, all mobile wallet users will be required to register with a Tax Identification Number (TIN) when purchasing new SIM cards. A 6 month transition period will be provided to ensure full compliance.



### Asset Declaration Regime

To build a culture of financial transparency, curb tax evasion, and enhance the integrity of economy, Government will introduce a mandatory Asset Declaration regime for all registered sole traders in Fiji. Effective from 1 January 2026, all sole traders will be required to submit an annual declaration of their assets and liabilities, alongside their income tax returns. This will include movable and immovable assets, loans, and all sources of income.



### Measures to Mitigate HIV Epidemic

Government has allocated \$10.0 million in the 2025–2026 Budget to support a comprehensive response to the HIV epidemic, including expanded testing, prevention, public awareness campaigns, and measures to control its spread.

# Expenditure by

FY2024-2025 Revised Estimate (\$Millions)

Office of the President



4.4

4.4

Office of the Prime Minister



28.4

8.7

Office of the Attorney-General



8.4

9.5

Ministry of Finance, Strategic Planning, National Development and Statistics



96.9

90.8

Ministry of Civil Service and Public Enterprises



76.0

72.8

Ministry of Environment and Climate Change



9.7

10.8

Ministry of Information



16.5

Ministry of Immigration



17.8

Independent Bodies



92.7

103.2

Ministry of Rural and Maritime Development & Disaster Management



37.9

39.4

Ministry of Education



650.6

675.4

Ministry of Health and Medical Services



451.8

465.6

Ministry of Youth and Sports



23.4

23.4

Ministry of Housing



32.4

31.8

Ministry of Women, Children & Social Protection



199.5

207.9

Ministry of Agriculture and Waterways



97.3

115.3

Ministry of Fisheries



25.3

24.9

Ministry of Forestry



31.4

25.6

Ministry of Land and Mineral Resources



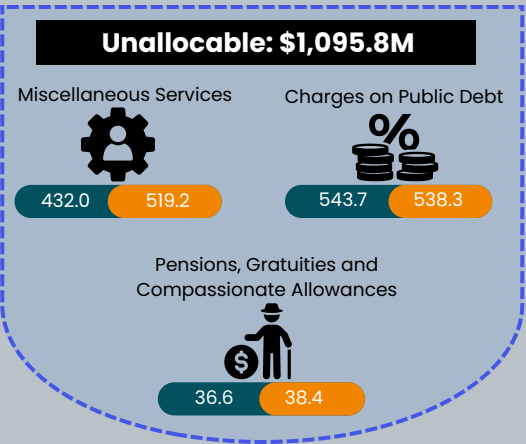
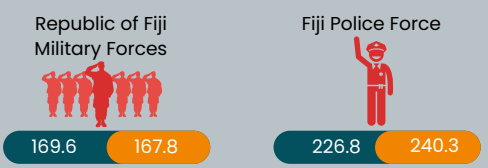
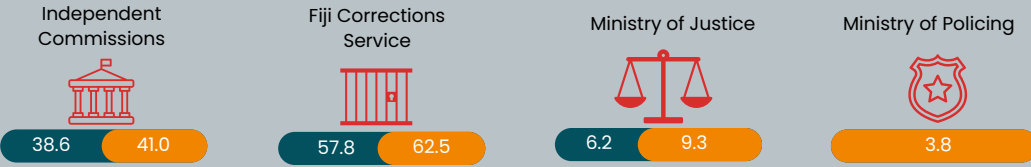
36.5

40.6



# Functional Categories

FY2025-2026 (\$Millions)



# Key Expenditure Policies

## Education



### Early Childhood Education

A total of \$32.3 million is allocated for early childhood education in FY2025-2026. The ECE teachers will now be paid on a full-time basis.



### Reforming Free Education Grants

A total of \$65.1 million is allocated for free education grants, which will now become fully flexible and give schools full control over how funds are used.



### Primary and Secondary Education

A total of \$257.9 million is allocated for primary education and \$222.5 million for secondary education.



### Removing Restrictions on Fundraising

In FY2025-2026, the restriction limiting school fundraising to once per year will be removed. Fundraising will become open, voluntary, and flexible.



### Grants to School Leaders

A sum of \$1.1 million has been provided for school leaders associations in FY2025-2026 as follows:



**\$500,000**

School Management  
Association of Fiji



**\$300,000**

Head Teachers Association



**\$300,000**

Principals Association



### Grants to Higher Education Institutions

A sum of \$86.5 million has been allocated for grants to higher education institutions including:



**\$35.7  
million**



**\$31.5  
million**



**\$7.0  
million**



**\$3.7  
million**





### Tertiary Scholarships Scheme

A sum of \$153.0 million has been allocated to Tertiary Scholarships and Loans Service (TSLs) in FY2025–2026 to fund 24,653 students (11,593 continuing and 13,060 new).

#### Review of Local Allowance Rates

| Merit Based High Achievers Local Scholarship Schemes | Other Merit Based Schemes for non-campus city residents | Other Merit Based Schemes for campus city residents | Students with Special Needs Scheme | Equity and Inclusion Based Allowance |
|------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------|------------------------------------|--------------------------------------|
| \$6,800.....➤\$7,600                                 | \$5,000.....➤\$5,600                                    | \$3,000.....➤\$3,200                                | \$6,800.....➤\$8,600               | \$1,000 (New)                        |

#### Value Adding and Expanding Existing Schemes



##### TVET Scholarships

Increased from 2,780 to 4,500 scholarships



##### Contribution Scheme

New partial tuition scheme covering 50% with a service bond of 1:1

#### Overseas Scholarships



Expanded to include TVET training in priority fields not offered locally



\$3,000 per student for visa lodgement and processing



Meal allowance has been increased from \$150 to \$250 per week from semester 2, 2025



### Micro Qualification Grants

The scheme has been increased to 3,000 awards in FY2025–2026 and includes new areas as follows:

 **300**  
Traditional Handicraft

 **200**  
Performing Arts

 **300**  
Community Tailoring

 **100**  
Women Small Business Operations

 **1,000**  
Vocational Literacy and Numeracy

## Health



### Ministry of Health and Medical Services

- The Ministry of Health has been allocated a sum of \$465.6 million for FY2025–2026.
- \$117.2 million has been allocated for the ongoing operations and maintenance of Lautoka and Ba Hospitals under a Public-Private Partnership (PPP) with Health Care (Fiji) Pte Ltd (HCF).
- \$4.7 million has been allocated for Kidney Dialysis Subsidy, applicable for households earning less than \$30,000.
- \$3.9 million operating grant for Sai Prema Hospital's pediatric cardiac care under a PPP.



### Renovation of CWM and Health Centres

\$10.8 million has been provided for the redevelopment of CWM Hospital, while \$8.0 million is allocated for the rehabilitation of health centres in Kadavu and Taveuni.



### 100-bed Super Specialty Hospital

Government of India is providing grant support to construct a 100-bed super specialty hospital in Nasinu.



### Free Medical Scheme

\$10.0 million allocated in the 2025–2026 Budget to support individuals earning under \$30,000, social welfare pensioners and dialysis patients under the Free Medical Scheme.

## Social Protection



### Social Protection

\$179.9 million has been allocated towards Social Protection Programmes:



**\$82.1 million**

Social Pension Scheme



**\$46.5 million**

Family Assistance Scheme



**\$18.4 million**

Child Protection Allowance



**\$18.5 million**

Allowance for Persons with Disability



**\$14.0 million**

Transport Assistance Scheme



**\$0.4 million**

Food Allowance for Rural Pregnant Mothers

## Infrastructure



### Ministry of Public Works

\$800.1 million is provided to the Ministry of Public Works in FY2025–2026, an increase of \$82.9 million.



### Nadi Flood Alleviation Project

\$8.0 million is allocated in the 2025–2026 Budget for the design of this project with support from JICA and AIFFP.



## Fiji Roads Authority

In FY2025–2026, Fiji Roads Authority is provided a funding of \$387.7 million, an increase of \$37.2 million from FY2024–2025.



**\$119.0  
million**

Road Maintenance



**\$73.5  
million**

Road Renewals, Resealing  
and Replacement



**\$73.5  
million**

Footpaths and Bus  
shelters



**\$30.3  
million**

Upgrading Community  
and Rural Roads



**\$4.7  
million**

Tar Sealing of  
Kavanagasau Road



## Maintenance of Jetties and Bridges

Government is working collaboratively with ADB and World Bank for the following projects:

### Replacement of 4 Critical Bridges:

- Lami Bridge
- Medraukutu Bridge
- Sabeto Bridge
- Viseisei Bridge

### Maintenance of Jetties:

- Koro
- Moala
- Lomaloma
- Vunisea
- Nabouwalu
- Savusavu
- Taveuni
- Rabi



## Water and Wastewater

\$284.4 million has been allocated to the Water Authority of Fiji (WAF). Major capital programmes to be implemented include the following:

- Water Program: \$83.5 million
- Special Funded Programme: \$16.4 million
- Wastewater Programme: \$15.1 million
- New Water Treatment Plant: \$4.9 million
- Rural Water Access: \$10.7 million



## Ministry of Rural & Maritime Development & Disaster Management

\$39.4 million is allocated in the 2025–2026 Budget to support essential community development projects.



**\$1.3  
million**

Coastal Erosion Protection



**\$2.9  
million**

Rural & Outer  
Island Programme



**\$2.3  
million**

Community Access  
Roads



**\$2.9  
million**

Rural Housing Assistance



**\$1.0  
million**

Self-help Project  
Grants



**\$0.7  
million**

Rural High Risk Water  
Sanitation Project



### Boreholes

A sum of \$6.5 million is allocated for development of boreholes across the country.



### Dredging and Clearing of Waterways

A total of \$25.6 million is allocated in FY2025–2026 for river dredging and waterway clearing, including \$3.9 million for the Drainage Board and \$7.3 million for major river dredging across Fiji.

## Resource Based Sectors



### Ministry of Agriculture & Waterways

The Ministry of Agriculture & Waterways is provided with a budget allocation of \$115.3 million in FY2025–2026. Some major programmes under the Ministry include:



Crop Research & Extension: **\$38.6 million**



Farm Mechanisation: **\$2.8 million**



Committee for Better Utilisation of Land: **\$6.9 million**



Livestock Research and Extension Services: **\$19.0 million**



Agricultural Marketing Authority: **\$2.5 million**



Navuso Agriculture Technical Institute and Tutu Training Centre: **\$4.4 million**



Upgrade and enhance of agricultural quarters: **\$1.7 million**



Fertiliser & Weedicide Subsidy: **\$1.0 million**



### Subsidy for Farmers and Leaseholders

Government is introducing a 30 percent lease premium subsidy (up to \$7,500) for farmers and leaseholders earning under \$50,000.



### Sugar

- The Ministry of Sugar is allocated \$72.2 million in the 2025–2026 Budget
- Fertiliser subsidy: \$19.6 million
- FSC Working Capital Support: \$17.9 million
- Sugar stabilisation fund support: \$19.8 million



## Ministry of Fisheries and Forestry

Ministry of Fisheries and Forestry is provided a total budget of \$50.0 million.



Commercial  
Maritime Pine  
Subsidy: **\$2.5 million**



Fiji Pine Trust  
Extension:  
**\$1.7 million**



Upgrade of the Forestry  
Training Center in  
Colo-I-Suva: **\$782,600**



Reforestation of Degraded  
Forests with Indigenous and  
Other Species: **\$2.8 million**



Maritime Pine  
Development (Cicia, Gau  
and Kadavu): **\$1.5 million**



## Tourism

Government has allocated a sum of \$92.7 million in the 2025–2026 Budget for the Ministry of Tourism and Civil Aviation.

- Tourism Fiji Marketing Grant: \$39.0 million
- Tourism Development Programme in Vanua Levu: \$30.0 million

## Empowering Communities



### Ministry of iTaukei Affairs

The Ministry of iTaukei Affairs is allocated \$41.2 million in FY2025–2026.

- Operating grant for the Provincial Councils: \$7.2 million
- iTaukei Affairs Board operating grant: \$4.7 million
- iTaukei Resource Owners Support and Development Fund which provides a 3-year interest subsidy on loans through FDB and Merchant Finance: \$3.0 million
- Village Improvement Scheme: \$2.0 million



### Community Leaders

- Allowances for Turaga-Ni-Koro, Mata-ni-Tikina, and other vanua leaders: \$4.2 million
- Allowances for District Advisory Councilors: \$0.8 million
- \$100 monthly allowance to all Justices of Peace: \$1.0 million

## Housing



- \$14.6 million to formalise 10 informal settlements
- \$2.2 million for relocation and resettlement of families evicted from Veidogo, Nabua and Nadiri

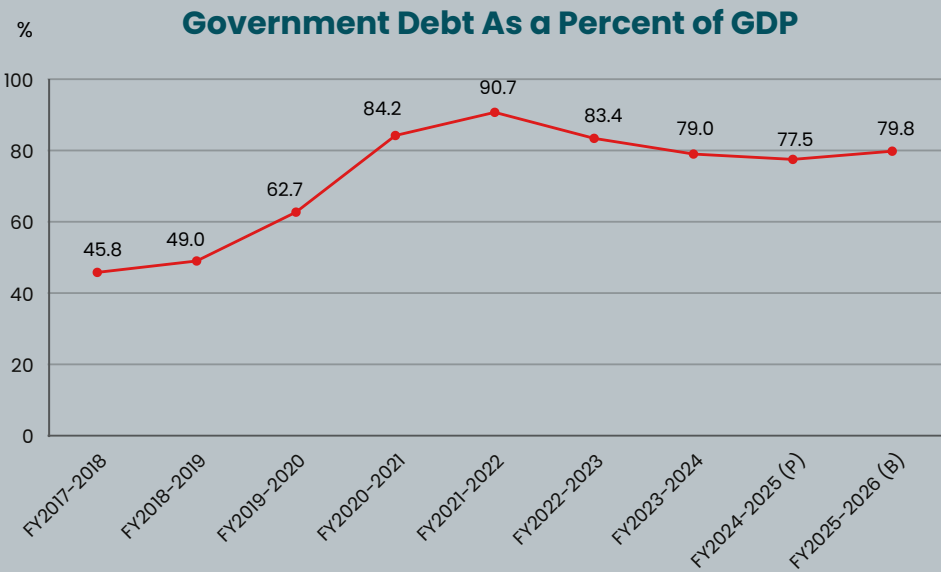


### Termite Baiting Programme

\$2.9 million allocated for termite subsidy and national termite baiting programme

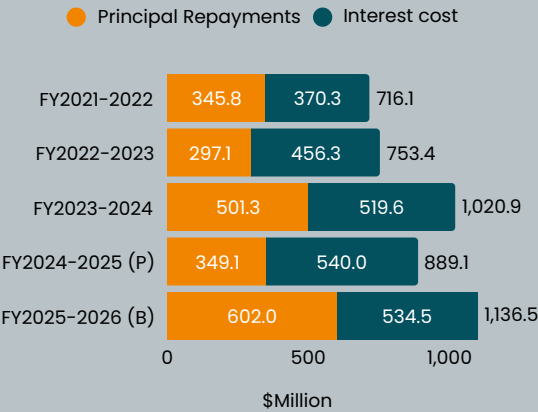
# Government Debt

As of July 2024, Fiji's total government debt stood at \$10.3 billion (79.0% of GDP) and is projected to rise to \$10.8 billion (77.5% of GDP) by July 2025. The debt is made up of 65.0% domestic and 35.0% external borrowing.



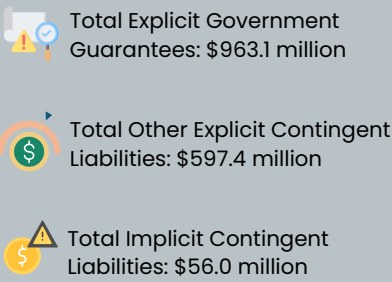
## Debt Servicing

Debt servicing comprises of principal repayments and interest costs.



## Contingent Liabilities

As of April 2025, total contingent liabilities stood at \$1.6 billion or 11.6% of GDP:



# Medium–Term Fiscal Framework

| \$Million         | 2025–2026 Budget | 2026–2027 Budget | 2027–2028 Budget |
|-------------------|------------------|------------------|------------------|
| Revenue           | 3,947.4          | 4,165.0          | 4,227.5          |
| As a % of GDP     | 26.9             | 26.9             | 26.0             |
| Tax               | 3,374.2          | 3,609.3          | 3,736.5          |
| Non-Tax           | 573.2            | 555.7            | 491.0            |
| Total Expenditure | 4,833.5          | 4,785.9          | 4,795.5          |
| As a % of GDP     | 33.0             | 30.9             | 29.5             |
| Net Deficit       | -886.0           | -621.0           | -568.0           |
| As a % of GDP     | -6.0             | -4.0             | -3.5             |
| Total Debt        | 11,700.6         | 12,321.5         | 12,889.5         |
| As a % of GDP     | 79.8             | 79.6             | 79.3             |
| Nominal GDP       | 14,660.8         | 15,472.1         | 16,245.7         |

## Fiscal Risks

|                                  |                   |                  |                                                                                                              |                     |
|----------------------------------|-------------------|------------------|--------------------------------------------------------------------------------------------------------------|---------------------|
| Potential Fiscal Impact % of GDP | High (>1%)        |                  | Macroeconomic Risks, Government Assets and Liabilities, Public Private Partnerships, and Environmental Risks |                     |
|                                  | Medium (>0.2%<1%) | Financial Sector | Specific Revenues, Government Guarantees, and Public Investment                                              | Public Corporations |
|                                  | Low (<0.2%)       |                  |                                                                                                              |                     |
|                                  |                   | Remote (<10%)    | Possible (>10%<50%)                                                                                          | Probable (>50%)     |
| Likelihood of Realization        |                   |                  |                                                                                                              |                     |



**Access the 2025-  
2026 Budget  
documents here:**

