## MINISTRY OF FINANCE

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**FOR IMMEDIATE RELEASE**
**Sunday 23/08/2026**

**Government Statement on the Tourism Services Tax and Industry Engagement**

The Government is concerned by the continued delaying tactics being employed by the Fiji Hotel and Tourism Association (FHTA) and a small number of industry players in relation to the implementation of the 5 percent Tourism Services Tax (TST).

Government had engaged with the FHTA and key tourism industry stakeholders since June to discuss the introduction, application and implementation of the TST. Government has also provided the industry with additional time to prepare for the new measure, with the implementation date adjusted from 1 July, to 1 August, and subsequently to 1 September.

These extensions were provided in good faith to allow the industry sufficient time to prepare its systems, communicate with customers and ensure compliance.

Despite this, Government is concerned that some industry players, with the support of the FHTA, continue to create negative publicity around the TST and its implementation. Government believes that these actions risk undermining and sabotaging a measure that is in the broader interest of Fiji's tourism industry and the national economy.

The Government therefore wishes to remind the FHTA and the tourism industry of several important facts.

Firstly, the 5 percent Tourism Services Tax was introduced as part of Government's broader efforts to support Fiji Airways, which is critical to the survival and growth of Fiji's tourism industry.

Tourism contributes approximately 40 percent of economic activity, generates nearly $3 billion in foreign exchange earnings and supports thousands of jobs, businesses and livelihoods throughout Fiji.

Fiji Airways is the national carrier and a critical gateway for international visitors. The strength of Fiji's tourism industry is directly linked to the strength and financial sustainability of our national airline.

The Government has therefore taken significant measures to support Fiji Airways during a period of unprecedented international and fuel price and financial pressures. The TST is one component of that broader support.

The industry should recognise that protecting Fiji Airways means protecting the connectivity on which hotels, resorts, tour operators, restaurants, transport operators, cruise services and thousands of other tourism-related businesses depend.

Secondly, Government also wishes to put the current debate around taxation into proper perspective.

For many years, the tourism industry has benefited from significant tax holidays, duty concessions and other incentives designed to encourage investment and support the development of the sector.

Many hotels and tourism service providers have received tax holidays ranging from 13 to 20 years, together with various duty concessions and other forms of Government support.

The industry also benefits from taxpayer-funded tourism marketing and other public investments that help promote Fiji as a destination and support visitor arrivals.

Today, the entire tourism industry contributes only around 5 percent of the total corporate taxes collected by Government. The other 95 percent is paid by non-tourism sectors.

Government recognises the importance of tourism and the investment that the industry brings to Fiji. However, the industry must also recognise that it has a responsibility to contribute to the wider national effort when the country and its critical tourism infrastructure require support.

Thirdly, under the previous Government, the tourism sector was subject to a combined 16 percent turnover-based tax through the 10 percent ECAL and 6 percent STT, which remained in place for a number of years.

The current Tourism Services Tax is 5 percent, is turnover-based and is being introduced as a temporary measure for only 12 months.

The current measure is significantly lower than the previous combined tourism turnover taxes, and it is temporary.

Government has also deliberately designed the measure to focus on larger tourism operators, ensuring that smaller businesses are not unnecessarily burdened.

Government has listened to the concerns of the industry and demonstrated flexibility by providing additional time for implementation.

Lastly, Government remains willing to address practical issues and clarify matters where necessary. However, the tourism industry must now work constructively with Government to implement the TST rather than continue attempts to delay or undermine it.

Hon. Esrom Immanuel
**Minister for Finance**