

# OUTSOURCING INDUSTRY

## Fact Sheet

### BACKGROUND

Fiji is focusing on economic diversification, with the outsourcing industry emerging as a key area of growth, projected to generate \$350 million in revenue for 2023, up from \$144 million in 2019. This sector not only exhibits resilience but also significantly contributes to employment, technological advancement, and overall economic development. Fiji's geographic location, neutral English accents, robust ICT infrastructure, and educated workforce position it as an attractive nearshore outsourcing destination. With investments planned in technology, infrastructure, and legal frameworks, Fiji aims to enhance its appeal to international investors and establish itself as a global outsourcing hub. Emphasizing the outsourcing industry's role as a sustainable economic pillar, Fiji is fostering investment, strengthening regulatory frameworks, and promoting partnerships to attract multinational corporations and ensure long-term prosperity and technological innovation, creating inclusive job opportunities and positioning Fiji for success in the global market.

### CURRENT STATUS

Fiji's outsourcing industry, encompassing BPO, KPO, shared services, and global business centers, has experienced robust growth, driven by initiatives from Outsource Fiji and government support through the MTCSMEC. Collaborations with Google and Starlink have ensured uninterrupted service delivery during the COVID-19 pandemic, attracting multinational enterprises and diversifying investor base beyond traditional markets. The sector significantly contributes to employment, particularly for women, and fosters inclusive economic growth. Fiji aims to position itself as a premier destination for global outsourcing services through modern infrastructure, technological integration, and regulatory enhancements, supported by initiatives like the ICT Incentive Regulations and financial backing for Outsource Fiji. Plans to establish Outsource Fiji as a statutory body, develop

specialized educational programs, and reinforce regulatory frameworks demonstrate a commitment to sectoral growth and attracting foreign investment. By focusing on small and medium-sized businesses, fostering closer client-provider relationships, and offering climate-resilient employment opportunities, Fiji's outsourcing sector aims to sustainably drive economic growth and provide high-quality services regionally and internationally.

### CHALLENGE

1. *Legislative Gaps:* Existence of gaps in legislation pertaining to Data Protection, Cyber Security, and intellectual property poses significant challenges to the outsourcing industry's growth and security.
2. *Threat from Fly-by-Night Operators:* Potential threats from fly-by-night operators emphasize the need for robust laws to safeguard Fiji's outsourcing operations.
3. *Infrastructure Constraints:* Despite advancements, Fiji's overall infrastructure, including telecommunication, transportation, and energy, continues to face challenges, acting as a constraint on economic development.

### OPPORTUNITIES

1. *Comprehensive Legislation:* Implementing comprehensive legislation, such as the Outsource Fiji Act, to create a supportive environment for businesses and attract global investors,
2. *Infrastructure Development:* Bridging infrastructure gaps, particularly in telecommunication, transportation, and energy, can accelerate industry growth, attract investments, and create more job opportunities.
3. *Private Sector Dynamism:* The private sector plays a pivotal role in shaping the outsourcing landscape, offering opportunities for growth and innovation.
4. *Leveraging Human Resources:* Fiji's human resources, proficiency in English, adaptability to

multicultural environments, and cost-effectiveness compared to high-income countries present significant opportunities for the outsourcing industry's development.

5. *Cultural Adaptability*: Fiji's cultural attributes, including adaptability and mobility, align favorably with industry demands, positioning the country as an ideal destination for outsourcing services.

## FUTURE POLICIES AND STRATEGIES

- **Develop Data Protection Law and Cyber Security Policy:**
  - ✓ Strengthen the existing Investment Act 2021 and the Immigration Act 2003 with focus on outsourcing.
  - ✓ Design and enact data protection and privacy laws.
  - ✓ Strengthen data protection and privacy policies and procedures.
  - ✓ Strengthen quality of data collection and improve accessibility.
- **Infrastructure and Technological Development:**
  - ✓ Streamline infrastructure development to attract private investments in outsourcing facilities.
  - ✓ Explore concessional loan facilities from financial institutions like FDB and RBF to expedite infrastructure growth.
  - ✓ Provide incentives to companies strengthening ICT infrastructure in both urban and rural areas
  - ✓ Explore decentralization strategies to stimulate economic growth in regions beyond urban centers for outsourcing sector
  - ✓ Establish SEZs in strategic locations near Suva, Lautoka, and Nadi.
  - ✓ Attract Multinational Enterprises (MNEs) and enhance Fiji's competitiveness in global outsourcing market.

- ✓ Implement training on digital skills to support chatbot, and other AI technologies.
- ✓ Establish industry-centric training institutions to fulfil the demands of the industry and explore specialized markets.

➤ **Tax Incentives and Financial Policies:**

- ✓ Provide corporate tax holidays or reduced rates to attract foreign investment in outsourcing.
- ✓ Review and update tax policies to align with industry trends and international standards.
- ✓ Provide tax incentives for companies engaging in research and development within the outsourcing industry.
- ✓ Employer-Subsidized Training Initiatives.
- ✓ Government Subsidies for Training Programs

➤ **Market Diversification and Promotion**

- ✓ Promote Fiji as the ideal outsourcing destination Fiji's capabilities in the outsourcing sector.
- ✓ Strengthen networking and business collaborations to leverage outsourcing sector development.