

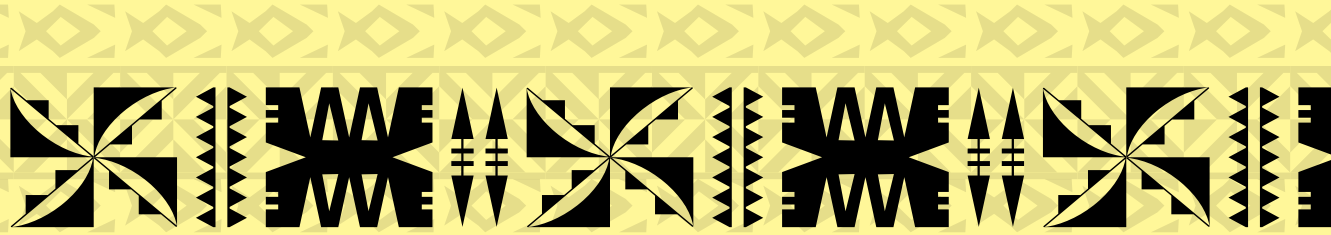
REPUBLIC OF FIJI

ECONOMIC AND FISCAL UPDATE SUPPLEMENT TO THE 2025-2026 BUDGET ADDRESS



“Building Security, Stability and Prosperity”

**Ministry of Finance, Strategic Planning, National
Development and Statistics
27 June 2025**



FOREWORD

The Supplement to the 2025-2026 Budget Address discusses Fiji's current macroeconomic and fiscal position and forward projections for the next three years.

The 2025-2026 Budget presents key measures stemming from an extensive public dialogue process with the theme ***“Building Security, Stability and Prosperity”***. This National Budget places an emphasis on addressing socio-economic challenges and at the same time ensuring macroeconomic stability. Spending is directed towards protecting the vulnerable, strengthening public health systems and safeguarding economic resilience.

This document was compiled by the Ministry of Finance, Strategic Planning, National Development and Statistics in consultation with other Government Ministries, the Fiji Revenue and Customs Service (FRCS) and the Reserve Bank of Fiji (RBF). The information contained in this document is current as of June 2025.



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27 June 2025

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CHAPTER 1: INTRODUCTION

Rising Global Challenges and Moderating Growth

- 1.1 The global economic outlook remains subdued, weighed down by a convergence of factors including escalating geopolitical and trade tensions, tight monetary policy amid fragile financial markets, constrained fiscal space due to high debt levels, and ongoing climate-related disruptions. These interconnected challenges continue to dampen global growth prospects and contribute to heightened uncertainty. As a result, the International Monetary Fund (IMF) has downgraded the global growth forecasts to 2.8 percent in 2025 and 3.0 percent in 2026, significantly below the historical average of 3.7 percent recorded between 2000 and 2019.
- 1.2 The anticipated spillovers from the slowing global economy, particularly Fiji's major trading partners and tourism source markets poses downside risks to the domestic economy. In addition, on-going challenges associated with cost of doing business and skills shortage coupled with existing bureaucracies and institutional red tapes continue to affect timely implementation of major investment projects in Fiji.
- 1.3 Given the global headwinds and the uncertainty around reciprocal tariffs imposed by the United States (US) and existing challenges on the domestic front, the growth projection for 2025 has been revised down to 3.2 percent from an earlier forecast of 3.4 percent. However, on a positive note, aggregate demand remains robust driven by strong consumption spending due to higher household incomes (increase in minimum wages and civil service salaries) as well as sustained remittance inflows. In the medium-term, growth is expected to be broad-based and return to its long-term trend of 3.0 percent.
- 1.4 In the 2025-2026 National Budget, Government's counter-cyclical fiscal response aims to cushion the economy against the global headwinds, provide further relief to vulnerable and low-income households, improve delivery of public services and address key socio-economic problems associated with rising drug abuse and HIV cases. Some of the key interventions include reduction in the Value Added Tax (VAT) rate and other duties, increases in social welfare assistance, transport subsidies, public sector wage adjustments, and targeted household support. While these measures offer immediate relief, they are also consistent with Government's broader strategy to balance short-term needs with the imperative of building long-term economic resilience as outlined in the recently launched National Development Plan (NDP) 2025-2029 and Vision 2050.
- 1.5 The new NDP serves as a strategic blueprint for advancing Fiji's social, economic, and political development. It reflects the nation's strong commitment to long-term planning, inclusive growth and resilience. The Plan places a strong emphasis on

empowering communities, enhancing infrastructure, fostering innovation and strengthening governance. Its implementation marks a pivotal step in shaping Fiji's development trajectory amid evolving domestic and global challenges.

Major Announcements in the 2025-2026 National Budget

Mitigating the Cost-of-Living Pressures

Reduction in VAT

- 1.6 To ease the burden of high cost of living, Government will reduce the VAT rate from 15 percent to 12.5 percent, effective from 1 August 2025. This reduction in VAT is expected to deliver estimated savings of around \$250.0 million for all Fijians. In addition, the zero-rated VAT on the 22 essential items will be maintained in FY2025-2026.

Duty Reduction on Tariff Protected Products

- 1.7 In the 2023-2024 Budget, the import excise duty on chicken portions and offals was reduced from 10 percent to zero, while fiscal duty was maintained at 32 percent. In the 2025–2026 Budget, the fiscal duty on chicken portions and offals will be reduced from 32 percent to 15 percent. However, whole chickens will remain protected with a 32 percent fiscal duty and 10 percent excise duty.
- 1.8 Fiscal duty on frozen fish, including salmon will be reduced from 15 percent to zero percent, enhancing access to affordable sources of protein.
- 1.9 In recognition of their importance in daily nutrition, commonly consumed fruits and vegetables such as tomatoes, cabbage, lettuce, cucumber, eggplant, pumpkin, banana, avocados, mandarins, watermelons and pawpaw will continue to attract only 5 percent duty, while other fruits and vegetables like apples, carrots, grapes, oranges, pears, celery, capsicums, mushrooms, kiwifruits, cauliflower, broccoli, nuts, etc not available in Fiji will remain duty free.
- 1.10 Basic household staples such as potatoes, garlic, onion, tea, cooking oil will continue to attract zero duty. The reduced duty on all lamb products from 5 percent to zero percent in FY2023-2024 and duty on beef, ducks, corned mutton, corned beef and canned mackerel reduced from 32 percent to 15 percent will continue in FY2025-2026. In addition, the 5 percent duty on dairy products like liquid milk, powdered milk, yogurt, cheese and butter will also be maintained in FY2025-2026.

Establishment of Price Monitoring and Enforcement Taskforce

- 1.11 To ensure that the benefits of tax reductions are fully passed on to consumers, a joint *Price Monitoring and Enforcement Taskforce* (PMET) comprising the Fijian Competition and Consumer Commission (FCCC), Consumer Council of Fiji (CCoF), FRCS and the Ministry of Finance (MoF) has been established. The Taskforce will closely monitor prices of goods and services, identify instances of non-compliance and take necessary enforcement action to safeguard consumer interests.
- 1.12 Where necessary, the PMET will recommend prompt policy interventions. These may include the imposition of price controls on additional items, reduction or even removal of tariff protections for local manufacturers and producers found to be engaging in unjustified pricing practices and the enforcement of stricter penalties and fines to ensure compliance with the national laws.

Opening Import Pathways

- 1.13 In addition to the above measures, the Biosecurity Authority of Fiji (BAF) will undertake a holistic review of the import pathways for key food products. While the existing biosecurity framework is essential for safeguarding Fiji's natural biodiversity, it has, in some instances become overly restrictive. For instance, the current regulations permit the importation of frozen chicken only from New Zealand, despite availability of safe and competitively priced poultry products from other reputable countries.
- 1.14 To introduce greater competition in supply chains, reduce dependency on limited suppliers, and enhance access to affordable and diverse food options, Government is undertaking a comprehensive review of import protocols. This includes active engagement with trusted international partners, with a continued commitment to upholding food safety standards as new suppliers and countries are added to the approved import list.
- 1.15 These reforms form a critical component of Government's broader strategy to lower consumer prices, addressing not only taxes and duties, but also the deeper structural bottlenecks that constrain supply and inflate costs.

Targeted Expenditure Measures

Supporting Social Welfare Recipients, Government Pensioners and Vulnerable Households

- 1.16 A 5 percent increase in monthly allowance for all social welfare recipients and Government pensioners is provided in this Budget. This is in addition to the 15

percent across-the-board increase that was provided in the 2023-2024 Budget. The total funding will increase by \$10.0 million to \$220.0 million in FY2025-2026.

- 1.17 A sum of \$4.0 million is provided to support the reinstated pension payment for FNPF pensioners who were affected by the 2012 pension reforms.
- 1.18 A total of \$25.0 million is also provided in FY2025-2026 for free water, medicine and electricity subsidy for households with a combined income of \$30,000 or less.

Bus Fare Subsidy

- 1.19 To provide additional relief to commuters using public transport, Government will provide a 10 percent bus fare subsidy for a period of 12 months, effective from 1 August 2025 to 31 July 2026 at an estimated cost of around \$10.0 million. This means that Fijians will pay 10 percent less for bus travel, while bus operators will continue to receive the full regulated fares.
- 1.20 In addition, free bus travel for students with blue cards will continue. The 50 percent subsidy for all other eligible students will be maintained, supported by an increased allocation of \$50.0 million in the 2025-2026 Budget.

Back to School Assistance

- 1.21 Government will continue with the \$200 Back-to-School Assistance for all eligible students in the 2026 school year, with a budget allocation of \$40.0 million. This initiative provides direct support to families to help cover school-related expenses and ease financial pressures at the start of the academic year. To-date, a total of around \$130.0 million has been paid as follows:
- 2023 School Year – \$44.7 million paid to 223,475 students;
 - 2024 School Year – \$42.5 million paid to 212,740 students; and
 - 2025 School Year – \$42.7 million paid to 213,520 students.

An equitable pay for civil servants to enhance service delivery

- 1.22 To further recognise the vital role of the civil servants in delivering public services, all civil servants will receive a 3 percent pay increase in the 2025-2026 Budget. This will be effective from Pay period 17 in August 2025. This follows the 7 to 20 percent adjustment granted in the last Budget.

Strengthening Law Enforcement & Public Safety and Responding to Drugs & HIV Concerns

- 1.23 The 2025–2026 Budget introduces a suite of measures aimed at strengthening law enforcement, enhancing public safety and addressing the growing challenges of

drug use and the spread of HIV. Government is reinforcing national security institutions to ensure they are well resourced, more responsive and fully equipped to protect communities and uphold the rule of law.

Ministry of Policing

- 1.24 Government has established the Ministry of Policing earlier this year, signalling a renewed and dedicated focus on rebuilding public trust and confidence in law enforcement. A total of \$3.8 million is provided in the 2025-2026 Budget.

Narcotics Bureau

- 1.25 To lead Fiji's national response to the drug crisis, the Narcotics Bureau operating under the Ministry of Policing will spearhead efforts to combat drug trafficking and substance abuse. The Bureau will serve as the central agency for inter-agency coordination, border control enforcement and intelligence led operations aimed at dismantling drug networks.

New Container Examination Facility

- 1.26 Government remains firmly committed to strengthening Fiji's border security, which is critical for the economy, for sovereignty and the safety of every citizen. Over the past years, FRCS and other key border management agencies has made significant strides driven by better intelligence, capability enhancement and collaboration with international partners.
- 1.27 To further bolster border protection efforts, the construction of a new Container Examination Facility will greatly enhance Fiji's ability to detect concealed contraband. Government is also focussing on expanding the K9 detection capability to Savusavu under the Duavata Agreement with New Zealand and extending critical assets to maritime borders.
- 1.28 To strengthen maritime responses and surveillance reach, Government has deepened coastal enforcement capability through joint raids, vessel rummages, and the procurement of new patrol boats under the Vuvale Partnership with Australia.
- 1.29 To further enhance maritime oversight, Fiji is developing a Maritime Single Window and a Yacht Management System, building on the success of the Small Crafts App already used across the Pacific. These strategic partnerships, advanced tools, and regional cooperation efforts reflect Government's steadfast commitment to building a secure, modern, and responsive border regime, one that upholds national security, facilitates trade, and ensures a safer future for all Fijians.

Mobile Wallet Accounts

- 130 To avoid tax evasion, money laundering and underground economic activity through digital wallets, all mobile wallet account holders will now be required to register with a Tax Identification Number (TIN), while purchasing new SIM cards. A six-month transition period will be provided to allow for full compliance.

Asset Declaration Regime

- 131 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.

Maintaining Internal Security

- 132 To maintain internal security, the Fiji Police Force is provided with a total budget of \$240.3 million in FY2025-2026, an increase of \$13.5 million compared to the 2024-2025 Budget.
- 133 Government will increase the size of the police force by an additional 1,000 personnel, taking the total strength of the Fiji Police Force to more than 6,550 people. This significant investment, to be implemented in two phases at an estimated cost of \$40.0 million, which aims to enhance the operational capacity and responsiveness of law enforcement.
- 134 In the first phase, \$19.5 million is provided in this Budget to commence recruitment of 538 additional officers, on top of around 300 vacant positions that will be filled. This would result in over 800 additional officers being deployed, significantly boosting police presence in communities, improving response time, and enabling more targeted and effective policing efforts.

Measures to Mitigate HIV Epidemic

- 135 Government remains committed to addressing the HIV epidemic and has allocated a sum of \$10.0 million in the 2025-2026 Budget to support a comprehensive response, including expanded testing, prevention efforts, public awareness campaigns, and measures to control the spread of HIV.

Education

- 1.36 The Ministry of Education is allocated a total budget of \$675.4 million in FY2025-2026, an increase of \$24.9 million from the 2024-2025 Budget. The key reforms and major programmes are outlined below:

Major Reforms in Free Education Grant

- 1.37 Starting in FY2025-2026, the free education grant will become fully flexible. The current rigid rule such as limiting only 20 percent for building and compound maintenance, 15 percent for IT equipment, or 30 percent for administrative and office expenses will be removed. The school management will now have full autonomy to determine how best to utilise the grant to meet their specific needs.
- 1.38 A total of \$65.1 million has been allocated for the free education grant in FY2025-2026.

Removal of Restriction on School Fundraising

- 1.39 The current restriction that limits school fundraising to once per year will be removed in FY2025-2026. Fundraising activities will be open, voluntary and flexible, encouraging greater community partnerships and parental involvement, as was the case in the past.

Grant for School Management Association, Principals Association and Head Teachers Association

- 1.40 For the first time, Government will provide a grant of \$500,000 to the School Management Association of Fiji to support leadership training and capacity development for school managers. The Principals Association and the Head Teachers Association has been allocated \$300,000 each in FY2025-2026, to strengthen professional collaboration and development across leadership levels.

Early Childhood Education (ECE)

- 1.41 Recognising the foundational importance of ECE in Fiji, Government will fund ECE teachers on a full-time basis. The appointments of ECE teachers will now be regularised to place them on equal footing with other teaching staff, granting them access to financial services such as loans and mortgages, opportunities previously unavailable to them.

Tertiary Scholarships Scheme

- 1.42 A sum of \$153.0 million has been allocated to Tertiary Scholarships and Loans Service (TSLS) in FY2025-2026 for numerous scholarship schemes and trainings

and to fund 24,653 students of which 11,593 are continuing students and 13,060 are new students. Outlined below is the list of TSLS reforms for FY2025-2026:

- ***Review of Local Allowance Rates*** – Government has reviewed the allowance rates for local students, which had remained unchanged since 2014. The changes to the allowance rates for local students are as follows:
 - ***Merit Based High Achievers Local Scholarship Schemes*** – the scholarship allowance will be increased from \$6,800 per annum to \$7,600 per annum;
 - ***Other Merit Based Schemes where Students are from outside Campus City*** – allowance will be increased from \$5,000 per annum to \$5,600 per annum;
 - ***Other Merit Based Schemes where Students have their Home in Campus City*** – allowance will be increased from \$3,000 per annum to \$3,200 per annum;
 - ***Students with Special Needs Scheme*** – the allowance rate has been increased from \$6,800 per annum to \$8,600 per annum to accommodate travel costs and purchase of special gadgets for study purposes; and
 - ***Equity and Inclusion Based Allowance*** – this is a newly introduced allowance which is to accommodate students from low socio-economic background particularly for students whose both parents are deceased and are either taken care by legal guardian or staying in home care. These students will receive an additional allowance of \$1,000 per annum. This is applicable to students on Home and Away Campus Allowance.
- ***Equity Based Higher Education (Level 7)*** – to ensure quality and alignment to labour market needs, Government had introduced a minimum cut off mark of 250 out of 400 in year 13 for all degree programmes. The cut off mark for students from rural and maritime zones will be reduced to 240 out of 400. This will provide equity for rural and maritime school students considering the disparities in resources and other inherent challenges with remoteness.

Value Adding and Expanding Existing Schemes

- ***TVET Scholarships*** – Government will increase the number of TVET scholarships in FY2025-2026 from 2,780 to 4,500. To ensure inclusivity, the TVET scholarships will be expanded to students with special needs, like the existing provisions for higher education.
- ***Micro Qualification Grant*** – this scheme will be expanded to new areas and will also be increased to 3,000 awards in FY2025-2026. This is an on-

going successful initiative which targets early school dropouts, unemployed youths and adults with micro credentials following 1 to 3 months of competency-based training. Apart from construction, tourism & hospitality and automotive, the following additional 5 categories will be added in FY2025-2026:

- ***Traditional Handicraft Making*** with 300 scholarship grants for training on basics of Wood Carving, Tapa or Masi and Weaving;
 - ***Performing Arts*** with 200 scholarship grants for improving Dancing and Singing for the entertainment industry;
 - ***Community Tailoring*** with 300 scholarship grants for training on basics of Sewing;
 - ***Women Small Business Operations*** with 100 scholarship grants for training on basics of Bookkeeping and Marketing; and
 - ***Vocational Literacy and Numeracy*** with 1,000 scholarship grants for 3 months of training for early school dropouts intending to pursue vocational certificate III and IV.
- ***Changes to Overseas Scholarship*** – Apart from Degree and Post-Graduate programmes, Government is expanding this scheme to students who wish to undertake TVET qualifications in Australia and New Zealand. This is only for TVET training that is not available locally and of national priority such as, in the area of Water and Sewage, Manufacturing, Nautical Science, Hydrology and Aviation Management.
 - Also, starting from FY2025-2026, \$3,000 per student will be allocated for visa lodgement and processing. TSLS will engage a licensed agent to get visas processed on time and send students before commencement of classes.
 - Apart from this, the meal allowance has been increased from \$150 to \$250 per week, commencing from Semester 2 of 2025. Stipend will be paid directly to students account, providing them with options to either rent out or stay in hostel.
 - ***Contribution Scheme*** – this is a newly introduced scheme that will allow students to apply for partial tuition assistance on a cost sharing basis where TSLS will pay 50 percent of the tuition fees, while students will take care of the remaining 50 percent. This scheme will provide incentivised bond service whereby their bond service will be 1:1, lower than the current 2:1. Students will only be required to provide service to the country equivalent to the duration of their study. This is an option given to those students who choose tuition only scholarship.

- ***Amendment to TSLS Act*** – The TSLS Act will be amended to improve compliance for bond defaulters and equipping TSLS to manage academically ‘at risk’ students with close monitoring of their academic performance, in partnership with the universities and other higher education service providers.

Health and Medical Services

Health Services

- 1.43 ***Allocation for the Ministry of Health*** – A sum of \$465.6 million has been allocated to the Ministry of Health and Medical Services to fund the salaries of doctors, nurses and allied health workers, procurement of medicines and biomedical equipment, upgrade and maintenance of hospitals and health centres across the country.
- 1.44 ***New National Hospital*** – Government has made significant progress in developing a roadmap with the support of Government of Australia for a new national hospital. The Clinical Service Plan has been developed and provides projections for health needs over the coming 10, 20 and 30 years. The new hospital will be significantly larger with the bed capacity expanding from 453 to 703 beds and will offer broader range of health services. It is also envisioned to function as a regional hospital. Government is fully committed to delivering this \$2.0 billion transformative project with support from development partners and multilateral institutions such as the World Bank and the ADB.
- 1.45 Government is currently assessing the most suitable location for this new national hospital with plans to relocate it from the Central Business District to a more accessible location that better serves the wider Suva-Nausori corridor. Seven sites are currently under consideration, including Davuilevu, Tamavua, Raiwaqa, Samabula, Valelevu, Nabua and the existing CWM site.
- 1.46 An allocation of \$10.8 million is provided for the redevelopment of CWM Hospital, while \$8.0 million is provided for rehabilitation of health centres in Kadavu and Taveuni.
- 1.47 ***Construction of a 100-bed Super Specialty Hospital*** – Government, with grant support from Government of India, is progressing the development of a 100-bed Super Specialty Hospital in Nasinu. Land acquisition is complete and a Memorandum of Agreement (MOA) covering construction, operation, and maintenance is being finalised. Construction will commence once the design and procurement processes are completed.
- 1.48 ***Health Public Private Partnership*** – A total of \$117.2 million is allocated in the 2025–2026 Budget for on-going operations and maintenance of the Lautoka and

Ba Hospitals, managed by Health Care (Fiji) Pte Ltd (HCF) under a Public-Private Partnership (PPP). The agreement, facilitated by the International Finance Corporation (IFC), is currently under review to ensure cost-effectiveness and improved service delivery. Additionally, HCF is expected to begin construction of a new 200-bed hospital in Lautoka.

- 1.49 ***Free Medical Scheme*** – Government will continue its Free Medical Scheme in partnership with over 64 private providers, including general practitioners, dentists, and laboratories. Initially targeted at individuals earning under \$30,000 and later extended to social welfare pensioners and dialysis patients, the scheme has so far cost \$26.0 million. A further allocation of \$10.0 million is provided in the 2025–2026 Budget to maintain and expand access to these essential services.
- 1.50 ***Kidney Dialysis Subsidy & Sai Prema Hospital Grant*** – To meet rising demand, Government has increased the kidney dialysis subsidy to \$4.7 million for services provided by private clinics. An operating grant of \$3.9 million will also be maintained for Sai Prema Hospital, which delivers life-saving cardiac care for children under a PPP arrangement.
- 1.51 ***Construction of New Mortuary Units*** – \$1.2 million is allocated for the construction of new mortuaries in Rakiraki and Tavua Sub-Divisional Hospitals, Nadarivatu Health Centre, Kadavu, Levuka, Savusavu, Dreketi, Wainibokasi, Nayavu Health Centre, Navua, Nabouwalu, and Taveuni Sub-Divisional Hospitals.

Infrastructure

- 1.52 Government will continue to invest in infrastructure and public utilities and assets development to raise the standard of essential infrastructure and improve access to markets and services.

Roads, Bridges and Jetties

- 1.53 ***Budget Allocation for Ministry of Public Works*** – a total budget of \$800.1 million is provided to the Ministry of Public Works, a significant increase of \$82.9 million from the last budget.
- 1.54 ***Budget Allocation for 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. This includes \$119.0 million for road maintenance, \$73.5 million for road renewals, replacement & resealing, \$23.0 million for footpaths & bus shelters and \$30.3 million for new sealing and upgrading of community and rural roads, including around \$4.7 million for the tar sealing of Kavanagasau road in the East Bank of the Sigatoka River.

- 1.55 ***Maintenance of Jetties*** – A sum of \$15.9 million is provided for the maintenance of jetties in Koro, Moala, Lomaloma, Vunisea, Nabouwalu, Savusavu, Taveuni and Rabi. Government is working collaboratively with the ADB on 3 major investment projects to revamp the 3 key jetties in Nabouwalu, Natovi and Savusavu. Proper investment in Fiji’s jetty infrastructure is essential for connectivity across our islands.
- 1.56 ***Maintenance of Bridges*** – Government has approved the replacement of four critical bridges at a total cost of around US\$200.0 million, with concessional and grant financing through the ADB and the World Bank. This includes the replacement of the Lami Bridge at Suvavou, Medraukutu Bridge near Lami Cement Factory, Sabeto Bridge, and Viseisei Bridge linking Nadi and Lautoka. Preparatory works, including detailed engineering designs, have already been completed, making these projects ready for execution in the first half of 2026. A sum of \$51.0 million is allocated in the 2025-2026 Budget to kickstart implementation.
- 1.57 A sum of \$500,000 has been allocated in FY2025-2026 for the feasibility study of a flyover from Suva to Nausori. The project seeks to significantly reduce travel times, improve traffic flow and enhance safety for commuters.

Water & Wastewater

- 1.58 The Water Authority of Fiji (WAF) is allocated \$284.4 million in FY2025-2026 to upgrade water sources, treatment plants, reticulation systems and reduce non-revenue water.
- 1.59 A sum of \$4.9 million is provided for the construction of a new 20-megalitre Packaged Water Treatment Plant to complement the existing Tamavua Water Treatment Plant. This will boost treatment capacity, accelerate delivery timelines, and support future demand in high-growth areas.
- 1.60 In partnership with the ADB, Government will implement a \$300.0 million, 5-year project to enhance wastewater management. This includes doubling the capacity of the Kinoya Wastewater Treatment Plant to 36,000 cubic meters per day, significantly reducing marine discharge.
- 1.61 For improving access to rural water, Government is providing \$10.7 million under the WAF and \$6.5 million for development of boreholes across the country under Ministry of Lands.

Rural & Maritime Development

- 1.62 The Ministry of Rural and Maritime Development is allocated \$39.4 million in the 2025-2026 Budget to support basic infrastructure projects such as access to clean

water, roads, footpaths & bridges, sanitation, rural housing and other community development projects.

- 1.63 Government has allocated \$1.3 million for coastal erosion protection works in Nasilai Village, Nakelo, in Tailevu. These works are essential for safeguarding homes, infrastructure, and livelihoods in vulnerable low-lying communities, which are increasingly affected by rising sea levels and extreme weather events.

Agriculture & Waterways

- 1.64 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:

- Committee for Better Utilisation of Land (CBUL) programme - \$6.9 million;
- Farm Mechanisation - \$2.8 million;
- Crop Research & Extension - \$38.6 million;
- Fertiliser & Weedicide Subsidy (Dalo, Ginger, Cassava and vegetable farmers) - \$1.0 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; and
- Upgrade and enhance of agricultural quarters - \$1.7 million.

- 1.65 A total budget of \$25.6 million is provided in FY2025-2026 for river dredging and clearing of waterways across the country. This includes \$3.9 million to the Drainage Board to maintain drainage schemes in non-municipal areas through desilting, floodgate management and boulder protection. Following the dredging of the Ba River at a cost of around \$5.5 million in FY2024-2025, Government is allocating \$7.3 million for the dredging of the major rivers in Fiji.

- 1.66 ***Nadi Flood Alleviation Project*** – Government has secured strong support from our development partners, Japan International Cooperation Agency (JICA) and Australia Infrastructure Financing Facility for the Pacific (AIFFP) and has accelerated this project. This project is estimated to cost over \$400.0 million and will be completed over a 5-year term, with 30 percent grant support from the development partners. An initial \$8.0 million is allocated in the 2025-2026 Budget to start with the design and implementation works.

Subsidy for Farmers and Leaseholders

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

support landowners, the CBUL initiative is being reinstated, providing an additional 4 percent lease rental payment ensuring landowners receive 10 percent of the Unimproved Capital Value (UCV).

Fisheries & Forestry

1.68 The Ministry of Fisheries and Forestry is provided a total budget of \$50.0 million in FY2025-2026. This includes the following programmes:

- Reforestation of Degraded Forests with Indigenous and Other Species – \$2.8 million
- Commercial Maritime Pine Subsidy – \$2.5 million;
- Fiji Pine Trust Extension - \$1.7 million;
- Maritime Pine Development (Cicia, Gau and Kadavu) - \$1.5 million; and
- Upgrade of the Forestry Training Center in Colo-I-Suva – \$782,600.

1.69 Programmes under the Ministry of Fisheries will be focused on food security and income generation, sustainable management of marine resources and fisheries research. A sum of \$562,000 has been allocated for the hosting of the 9th Tuna Trade Forum in Fiji.

Sugar

1.70 A total funding of \$72.2 million is provided to the Ministry of Sugar in the 2025-2026 Budget to cater for fertiliser and weedicide subsidy, sugar price support, cartage subsidy, cane access roads and farm mechanisation.

Empowering our Indigenous Communities through Targeted Support and Incentives

1.71 Government is strongly committed to promoting indigenous Fijians in education, employment, business and overall economic development and has therefore allocated a sum of \$41.2 million to the Ministry of iTaukei Affairs in FY2025-2026. This comprises the following:

- 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; and
- Village Improvement Scheme – \$2.0 million.

Empowering Community Leaders

1.72 To support and ensure inclusive governance, wellbeing and development of rural communities, funding is provided in the 2025-2026 Budget as follows:

- Allowance for the Turaga-Ni-Koro, Mata-ni-Tikina and other vanua leadership – \$4.2 million;
- Allowance for District Advisory Councillors – \$0.8 million; and
- Justices of Peace (JPs) – a monthly allowance of \$100 will be provided to all JPs. A total of \$1.0 million is provided in the 2025-2026 Budget.

Multi-Ethnic Affairs

1.73 The Ministry of Multi-Ethnic Affairs is provided with a total budget of \$6.9 million for the promotion of social cohesion, cultural development, installation of gas-fired crematoriums, associated infrastructure for dignified funeral services, digitisation of Girit records and Girit day celebrations.

Housing Programmes

1.74 In FY2025-2026, a total of \$14.6 million is provided for the formalisation of 6 informal settlements in Tavela, Tore, Field 40, Valewaquyaya, Sakoca and Vunika and 4 new areas including Lovu Seaside, Nabare, Delaisaweni and Caubati.

1.75 Around \$2.2 million has also been allocated for the Relocation and Resettlement of Informal Settlements. This is a new initiative and is in response to the recent eviction of families from Veidogo in Vatuwaqa, Nabua Muslim League and Nadiri. Funding will be used to commence critical preparatory work, including consultations with affected communities, land negotiations, legal frameworks and detailed implementation planning.

Termite Baiting Programme

1.76 Government has allocated a sum of \$2.9 million in the 2025-2026 Budget for the termite subsidy and national termite baiting programme.

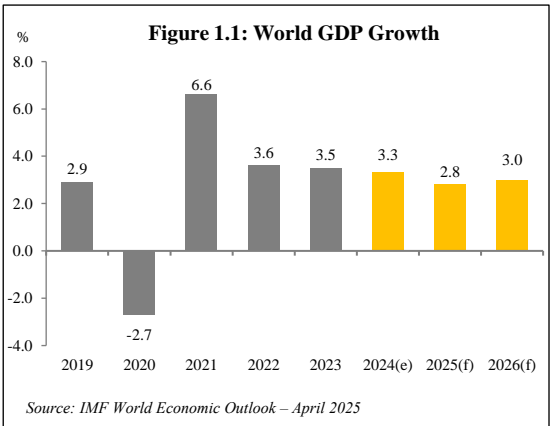
** For Tax Policy Measures, refer to Chapter 3 and Chapter 9 of this document.*

CHAPTER 2: ECONOMIC PERFORMANCE & OUTLOOK

2.1 This chapter provides a summary of recent global economic developments and the performance of Fiji’s major trading partners. It also presents an overview of the current state of the Fijian economy and discusses its medium-term projections for key macroeconomic indicators including growth, balance of payments, monetary aggregates, inflation and foreign reserves.

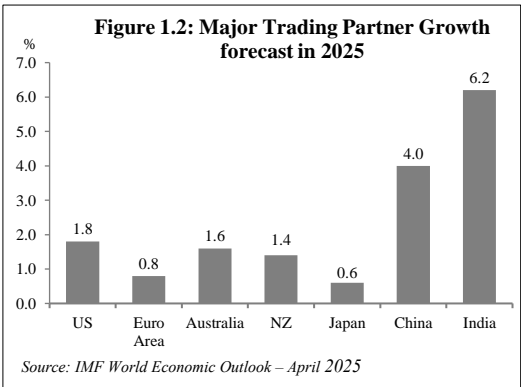
International Outlook

2.2 The IMF, in its April 2025 World Economic Outlook (WEO), downgraded the global growth forecast for 2025 to 2.8 percent from an earlier projection¹ of 3.3 percent (**Figure 1.1**). Similarly, the 2026 forecast has been revised to 3.0 percent compared to the previous estimate of 3.3 percent. These revised projections are significantly below the historical average global growth rate of 3.7 percent recorded between 2010 and 2019. Heightened global trade tensions, particularly between the two largest economies United States (US) and China, have contributed to increased uncertainty on the global economic landscape and volatility in financial markets, ultimately weighing on growth prospects for the year.



Fiji’s Trading Partners

2.3 Fiji’s major trading partners are projected to register modest growth in 2025 (**Figure 1.2**). In the US, the economic outlook remains mixed. While quarter 1 growth slowed to year-on-year (y-o-y) to 2.1 percent, the moderation in inflation coupled with resurgence in business confidence following the ninety days pause in reciprocal tariffs by the US in April led to improvements in consumer sentiments. However, uncertainty remains elevated amid an unpredictable and evolving tariff environment. The US labour market continues to show resilience with the unemployment rate holding steady at 4.2 percent in May. On the inflation



¹ January 2025 WEO update.

front, annual inflation has stabilised to around 2.4 percent in May on the back of stable food and energy prices. The US Federal Reserve (US Fed) kept the federal funds rate at 4.25-4.50 percent for a third consecutive meeting in May, consistent with market expectations as policymakers adopted a cautious stance amid concerns that US tariff policies could fuel inflationary pressures and dampen economic growth. In line with these developments, the US economy is projected to grow by 1.8 percent in 2025 and 1.7 percent in 2026.

- 24 The **Eurozone** expanded annually by 1.5 percent in the March quarter, following a 1.2 percent growth in the December 2024 quarter. Inflation pressures have eased since the beginning of 2025, as the y-o-y inflation rate fell for four consecutive months to 1.9 percent in May, below the European Central Bank (ECB) target of 2.0 percent. In response, the ECB lowered its three key rates by 25 basis points (bp) in June, bringing the main refinancing rate down to 2.15 percent. Economic growth in the Eurozone is projected at a modest 0.8 percent in 2025 before strengthening to 1.2 percent in 2026, while headline inflation is expected to moderate from 2.2 percent in 2025 to 2.0 percent in 2026.
- 25 The **Australian** economy is projected to grow by 1.6 percent in 2025, reflecting a modest but gradual recovery from 1.0 percent in 2024. While the growth forecast is lower than the earlier forecast of 2.1 percent, the outlook is supported by improved real incomes and the steady growth in consumption. Annual headline inflation has eased significantly declining to 2.4 percent in first quarter of 2025 from a peak of 7.8 percent in the fourth quarter of 2022. Since September 2024, inflation has remained within the Reserve Bank of Australia's (RBA) target range of 2-3 percent. In response, the RBA has adopted an accommodative monetary policy stance by cutting the cash rate by 25 bp in February and May 2025. The Australian economy is forecast to grow by 2.1 percent in 2026.
- 26 The **New Zealand** (NZ) economy is gradually emerging from a prolonged recession, with economic growth projected at 1.4 percent in 2025 from a contraction of 0.5 percent in 2024. The growth outlook is supported by lower interest rates and improving domestic demand. Annual inflation stood at 2.5 percent in March 2025, marking the third consecutive quarter within the Reserve Bank of New Zealand's (RBNZ) target band of 1-3 percent. In light of stable inflation, the RBNZ has reduced the official cash rate by 225 bp since mid-2024, bringing it down to 3.25 percent in May 2025. The labour market remains subdued, with the unemployment rate holding steady at 5.1 percent in the first quarter of 2025. The NZ economy is forecast to grow by 2.7 percent in 2026.
- 27 In **Japan**, growth is expected to remain steady at 0.6 percent in 2025 and 2026, slightly higher than 0.1 percent recorded in 2024. While growth in 2025 is supported by accommodative financial conditions, the weak domestic demand and headwinds from external trade is expected to remain a drag on growth this year. The Bank of Japan (BOJ) maintained its key-short-term interest rates at 0.5 percent

in June 2025, signalling a cautious approach to further tightening, with future decisions guided by economic and price developments. Although the unemployment rate remains low at 2.5 percent in April 2025, the Japanese labour market continues to be impacted by demographic challenges, particularly ageing population.

- 28

China’s economic growth is expected to slow to 4.0 percent in 2025 from 5.0 percent in 2024, reflecting the adverse effects of recently imposed tariffs and lingering domestic challenges, including ongoing distress in the property sector, weak consumer spending. Despite these headwinds, business sentiments remain optimistic, supported by expectations of improved global trade and consumer confidence. The annual unemployment rate eased to 5.0 percent in May, while the inflation rates remained in the negative territory for four consecutive months up to May 2025 (-0.1%). In light of these developments, the People’s Bank of China announced a 50 bp cut to its reserve requirement ratio and a 10 bp reduction (to 1.40%) in the seven-day reverse repo rate in May to support growth and maintain liquidity. The Chinese economy is projected to grow by 4.0 percent in 2026.
- 29

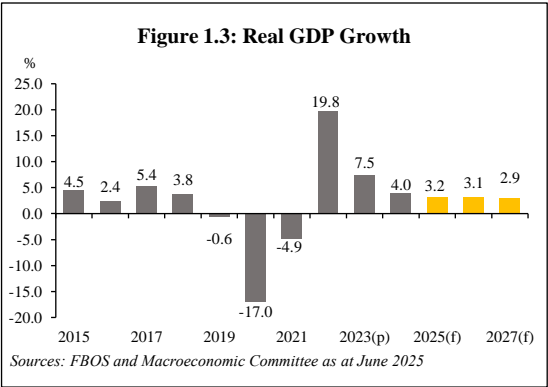
The **Indian** economy remains the world’s fastest growing major economy, expanding by an annual 6.5 percent in 2024² on the back of strong manufacturing and construction activity. The annual inflation rate stood at 2.8 percent in May, below the Reserve Bank of India’s (RBI) 4.0 percent target. As such, the RBI unexpectedly slashed its benchmark policy repo in June by 50 bp to 5.5 percent following the rate reduction in May. Looking ahead, inflation rates are expected to moderate further, averaging 4.2 percent in 2025, down from 4.7 percent in 2024. While growth is projected to soften slightly to 6.2 percent this year, it is expected to rebound modestly to 6.3 percent in 2026.

Domestic Outlook

Overview 2024

- 2.10

Following a growth of 7.5 percent in 2023, the Fijian economy is estimated to have expanded by 4.0 percent in 2024 (**Figure 1.3**). Key sectors driving the economic expansion included the public administration, transport & storage, accommodation, ICT, wholesale & retail trade, financial services, manufacturing and agriculture sectors. Visitor arrivals



² India’s growth is recorded in fiscal year and this growth is for the 2024-2025 fiscal year.

grew by 5.7 percent, registering a new peak of 982,938 visitors in comparison to 2023.

Overview 2025

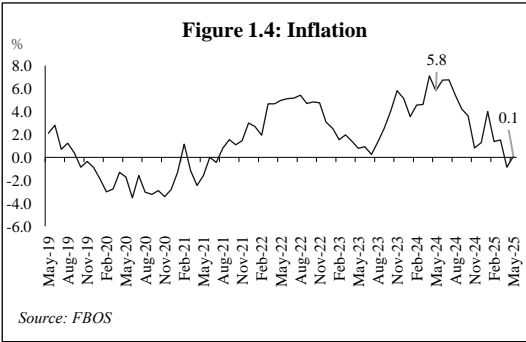
- 2.11 In 2025, the domestic economy is forecast to grow by 3.2 percent, a slight downward revision of 0.2 percentage points (pp) from the earlier forecast of 3.4 percent. The downward revision largely takes into account the expected slowdown in the global economy and weaker growth prospects in Fiji’s major trading and tourism partners’ driven by ongoing trade and geopolitical tensions. Growth in 2025 is expected to be primarily supported by continued momentum in the services sector with major contributions from the finance & insurance, public administration, wholesale & retail trade and information & communication sectors. In addition, the primary sector particularly agriculture, coupled with the industrial sector as well as net indirect taxes are also projected to contribute to the growth outlook.

Overview 2026 and 2027

- 2.12 Over the medium-term, the domestic economy is expected to return to its long-term trend growth of around 3.0 percent, supported by a broad-based expansion across all major sectors.
- 2.13 Risks to the growth outlook remain tilted to the downside. These include spillovers from heightened geopolitical tensions and persistent trade policy uncertainty, a further slowdown in trading partner economies, and reduced capacity to absorb future shocks. Domestically, weaker than expected visitor arrivals, and persistent threat of climate change and natural disasters also pose significant threats to the growth outlook. Nonetheless, growth prospects could improve if negotiations with the US result in lower tariffs, stronger pick-up in tourism arrivals in the second half of the year as well as timely rollout of Government funded capital projects.

Inflation

- 2.14 Inflationary pressures have significantly eased in line with the stable global commodity prices and lower inflation in Fiji’s key trading partners. The y-o-y headline inflation rate stood at 0.1 percent in May compared to 5.8 percent in the same period in 2024, largely underpinned by lower prices in food & non-alcoholic beverages, transport, housing & utilities, clothing & footwear and recreation & culture categories (**Figure 1.4**).



- 2.15 Annual average inflation rate is anticipated to fall to 1.1 percent in 2025 from 4.5 percent in 2024. Overall, domestic prices are expected to fall further in light of the reductions in the VAT rate from 15.0 percent to 12.5 percent as well as other duties and taxes on essential household items. However, the recent escalation in geopolitical tensions in the Middle East as well as the on-going conflict between Russia and Ukraine and spillovers from the trade tensions pose upside risks to the inflation outlook.

Exports³

- 2.16 In 2024, total merchandise exports rose by 7.0 percent to \$2,570.5 million, led by a strong growth in re-exports of fresh fish, mineral fuels & lubricants to other Pacific Island Countries (PICs) as well as higher domestic exports of gold. However, industry specific challenges continue to affect exports from other resource-based sectors such as sugar, mineral water, and forestry.
- 2.17 For 2025, total exports are projected to expand by 3.3 percent to \$2,654.9 million, backed by strong growth in domestic exports particularly gold due to higher prices and production along with sustained increases in re-exports of mineral fuel and fresh fish.
- 2.18 In 2026 and 2027, exports are forecast to grow by 5.0 percent and 4.9 percent, reaching \$2,788.8 million and \$2,926.5 million, respectively. These projections reflect anticipated improvements in domestic exports of gold, sugar and mineral water, alongside continued momentum in re-exports particularly fresh fish and mineral fuel.

Imports⁴

- 2.19 In 2024, Fiji's total merchandise imports rose marginally by 0.6 percent to \$7,024.6 million, a notable slowdown compared to the 5.8 percent growth recorded in 2023. The modest increase was primarily driven by higher imports of machinery & transport equipment, which more than offset the decline in imports of professional and scientific instruments, mineral fuel and fertilisers.
- 2.20 In 2025, imports are forecast to increase by 2.2 percent to \$7,177.2 million largely driven by imports of machinery & transport equipment. This takes into account the carryover of delayed capital projects from the previous year, the rollout of newly announced investment projects and rising domestic demand for transport related imports.

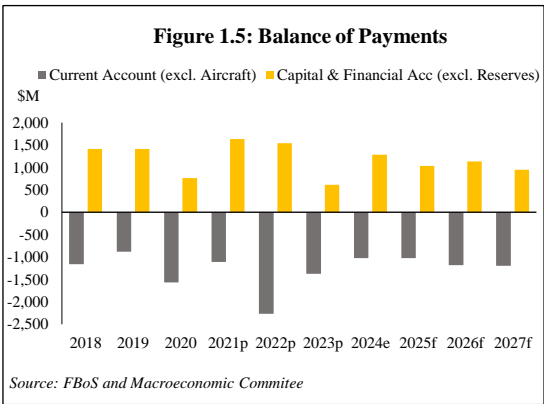
³ All analysis on exports excludes re-exports of aircraft.

⁴ All analysis on imports excludes imports of aircraft.

221 For 2026 and 2027, imports are projected to grow by 2.4 percent to \$7,349.2 million and by a further 2.2 percent to \$7,512.6 million, respectively. The outlook is supported by a positive domestic growth trajectory, on the back of on-going implementation of capital projects as well as buoyant tourism sector.

Balance of Payments (BOP)⁵

222 In 2024, the current account deficit (CAD) is estimated to have narrowed by 25.6 percent to \$1,025.3 million (7.5 percent of GDP) from \$1,377.5 million in 2023 (11.2 percent of GDP) (Figure 1.5). The improvement was underpinned by the lower goods trade deficit and a higher surplus in the secondary income account due to increased aid-in-kind and personal transfers/remittances.



223 Also contributing to the outcome was the higher surplus in the services account, on the back of an improvement in tourism earnings and Fiji’s expanding role as a transport hub. The primary income deficit, however, is expected to widen due to increased profit repatriation and re-investment of earnings.

224 In 2025, the CAD is forecast to narrow marginally to \$1,024.9 million (equivalent to -7.2 percent of GDP) led by slightly higher surpluses in the services and secondary income accounts. The surplus in the services account is supported by tourism earnings and transport receipts, while the secondary income balance is sustained by inward personal transfers/remittances and grants. The Capital and Financial Account (excluding reserve assets) surplus is forecast to fall by 19.5 percent to \$1,030.5 million, backed by the anticipated recovery in net Foreign Direct Investment (FDI) and other sector net loans. The overall BOP balance is projected to be negative, consequently the reserve assets are expected to fall by \$245.4 million in 2025.

225 The CAD is projected to widen to 7.9 percent of GDP (\$1,181.3m) in 2026, before narrowing to 7.6 percent of GDP (\$1,196.8m) in 2027. The widening in 2026 is driven by larger deficit in the primary income account reflecting increased profit repatriation, a higher trade deficit coupled with lower surplus in the secondary income account due to higher outward remittances. Similarly, the CAD in 2027 will be underpinned by higher deficits in trade account and slowdown in secondary income (higher outward remittances). The Capital and Financial Account (excluding reserve assets) is forecast to rise to \$1,130.0 million (7.5 percent of

⁵ Analysis on Current Account Deficit excludes aircraft while analysis on Capital and Financial Account excludes Reserve Assets.

GDP) in 2026 before falling to \$950.2 million (6.0 percent of GDP) in 2027. Net Government loan drawdowns are expected to be higher in 2026, while FDI inflows are anticipated to continue to grow and slightly fall in 2027. As a result, the overall BOP balance is projected to be negative and reserve assets are expected to fall by \$174.8 million and \$295.7 million in 2026 and 2027, respectively.

Remittances

- 226 In 2024, total inward remittances grew by 6.0 percent to a record high of \$1,329.7 million. Mobile transfer channel remains the most preferred mode of remittances owing to accessibility and lower transaction costs. Cumulative to April 2025, inward remittances rose by an annual 10.4 percent to \$448.5 million, driven by higher personal transfers. Inward remittances are projected to grow by 7.0 percent to \$1,422.2 million in 2025. For 2026 and 2027, remittances are forecast to rise moderately to \$1,464.4 million and \$1,508.3 million, respectively.

Tourism Earnings

- 227 In 2024, tourism earnings reached a new record of \$2,536.8 million, a slower growth of 1.9 percent following a strong growth of 46.3 percent in 2023. In 2025, tourism earnings are projected to increase marginally to \$2,550.8 million on the back of stable visitor arrivals. In 2026 and 2027, tourism earnings are forecast to increase to \$2,628.2 million and \$2,681.0 million, respectively.

Foreign Reserves

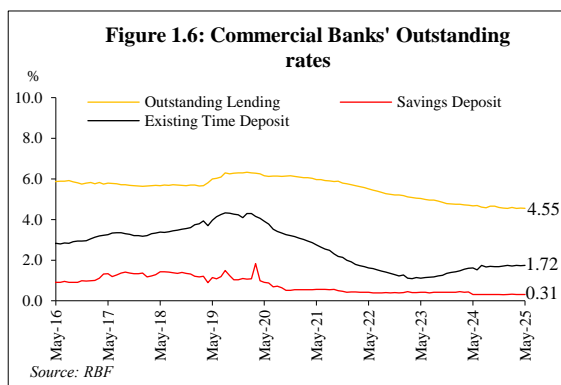
- 228 In 2024, foreign reserves stood at \$3,707.7 million, sufficient to cover 6.0 months of retained imports. As of 25 June 2025, foreign reserves (RBF holdings) were around \$3,710.4 million, equivalent to 5.8 months of retained imports.

Money and Credit

- 229 Money supply rose by 7.1 percent in May 2025, primarily led by higher foreign reserves and increased private sector credit to business entities (PSBEs) and households. Lending to the PSBEs was concentrated in the wholesale, retail, hotels & restaurants, real estate, and the building & construction sectors. Excluding refinanced loans, new consumption related credit rose substantially by 52.8 percent in the year to May 2025. In contrast, new investment lending declined by 3.7 percent in the review period.

Interest Rates

230 The weighted average outstanding lending rate remains near historical lows on the back of high liquidity in the banking system. Liquidity stood at \$2.1 billion as of 24 June 2025. The recent pickup in existing time deposit rates was led by movements at the very short end of the maturity spectrum, which offered higher rates and attracted higher volumes of deposits (**Figure 1.6**).



Exchange Rates

231 In May 2025, the Fijian dollar (FJD) appreciated against the Australian dollar (AUD) (1.9%) and the New Zealand dollar (NZD) (1.6%) annually but weakened against the Japanese Yen (JPY) (-9.0%), the Euro (EUR) (-5.3%) and the United States Dollar (USD) (-0.9%). Over the month, the FJD strengthened against the JPY (2.0%), the EUR (1.0%) and the USD (0.2%) but depreciated against the AUD (-0.5%) and the NZD (-0.2%).

232 In April, the nominal effective exchange rate (NEER) fell by 0.3 percent over the year but gained marginally over the month (0.01%). The annual dip was on account of the weakening FJD against the JPY, EUR and USD, while the gain over the month mirrored some strengthening against the AUD and USD. Accounting for inflation, the real effective exchange rate (REER) fell over the year (-3.6%) and month (-0.8%) as inflation in Fiji was lower than trading partners in the currency basket therefore leading to a gain in trade competitiveness.

Monetary Policy

233 The RBF maintained an accommodative monetary policy stance in June 2025 with the Overnight Policy Rate (OPR) unchanged at 0.25 percent since March 2020.

CHAPTER 3: GOVERNMENT'S FISCAL PERFORMANCE

- 3.1 Fiji's fiscal position has steadily improved in the post-pandemic period, driven by strong economic recovery supported by tourism and resource-based sectors as well as prudent fiscal management. Government successfully reduced the fiscal deficit from -12.1 percent of GDP in FY2021–2022 to -3.4 percent in FY2023–2024 on the back of significant revenue reforms, despite the increase in spending. Public debt declined from a peak of 90.7 percent of GDP in FY2021–2022 to 79.0 percent in FY2023–2024 and is expected to fall further to around 77.5 percent by July 2025. This downward trajectory highlights the Government's commitment to fiscal consolidation.
- 3.2 With improved fiscal space over the past two years, Government is now taking anticipatory action to mitigate spillovers from the geopolitical and trade tensions, slower global growth and rising uncertainties. The 2025–2026 Budget adopts a counter-cyclical stance, increasing spending in priority sectors and lowering taxes to sustain economic momentum and safeguard livelihoods.
- 3.3 The 2025-2026 Budget prioritises greater investment in social support, essential public services, and cost-of-living relief. Key measures include increased social welfare for vulnerable groups, higher bus fare subsidies, expanded scholarships and youth education support, increase in civil service salary and a reduction in VAT and other duties. This Budget also addresses pressing national concerns such as drug-related crime and public health, including the rise in HIV cases. Despite this increased spending, the debt-to-GDP ratio is expected to remain below 80 percent in FY2025–2026.

FY2024-2025 Fiscal Performance

- 3.4 At the end of FY2024-2025, Government is anticipated to record a net deficit of around \$505.3 million, equivalent to -3.6 percent of GDP, lower than the budgeted net deficit of \$635.5 million or -4.5 percent of GDP. This is based on an estimated total revenue of \$3,936.6 million (28.2 percent of GDP) and total expenditure of \$4,441.9 million (31.8 percent of GDP). **Table 1** below provides the summary of Government's fiscal performance for FY2024-2025.
- 3.5 Compared to the previous financial year (FY2023-2024), total revised revenue estimates are higher by \$290.4 million or 8.0 percent. Similarly, total revised expenditure estimates are higher by \$348.1 million or 8.5 percent. In comparison to the 2024-2025 Budget, the revised revenue estimates are above by \$19.9 million or 0.5 percent, while the revised expenditure estimates are lower by \$110.3 million or -2.4 percent.

Table 1: Fiscal Performance for FY2024-2025

\$Million	2023-2024 (Actual)	2024-2025 (Budget)	2024-2025 (Revised Estimate)
Revenue	3,646.2	3,916.7	3,936.6
<i>As a % of GDP</i>	<i>27.9</i>	<i>27.9</i>	<i>28.2</i>
Tax Revenue	3,096.8	3,299.0	3,421.0
Non-Tax Revenue	549.4	617.7	515.6
Expenditure	4,093.8	4,552.2	4,441.9
<i>As a % of GDP</i>	<i>31.4</i>	<i>32.5</i>	<i>31.8</i>
Net Deficit	-447.6	-635.5	-505.3
As a % of GDP	-3.4	-4.5	-3.6
Debt	10,309.2	10,944.7	10,814.5
<i>As a % of GDP</i>	<i>79.0</i>	<i>78.0</i>	<i>77.5</i>
GDP at Market Prices	13,045.7	14,022.8	13,956.5

Source: Ministry of Finance

- 3.6 Tax revenue for FY2024-2025 is expected to be \$3,421.0 million, higher by \$122.0 million or 3.7 percent compared to the original budget and higher by \$324.2 million or 10.5 percent relative to FY2023-2024. Overall tax collections performed strongly, driven primarily by higher VAT collections reflecting robust domestic consumption and due to the better performance in personal and corporate taxes. On the other hand, departure tax and water resource tax underperformed as a result of softened visitor arrivals in the first quarter of 2025 and lower mineral water production.
- 3.7 In the first ten months of FY2024-2025 (August 2024 to May 2025), Government collected \$2,794.4 million in tax revenues, representing 84.7 percent of the original budget and 81.7 percent of the revised tax revenues. Compared to the same period last financial year (August 2023 to May 2024), overall tax collections have increased by \$333.4 million or 13.5 percent.
- 3.8 Non-tax revenue is estimated at \$515.6 million, lower than the original budget by \$102.1 million or -16.5 percent. This is largely attributed to lower collections from reimbursement and recoveries, grants-in-aid, fees, fines, charges & penalties, dividends from investments, interest on term loans and advances and sale of Government assets, while higher collections were received from other revenue and surpluses and interest from bank balances. When compared to FY2023-2024, revised non-tax revenue is lower by \$33.8 million or -6.1 percent.
- 3.9 In the first ten months of FY2024-2025, non-tax revenue stood at \$422.6 million, representing 68.4 percent of the original budget and 82.0 percent of the total revised non-tax revenue, which is expected to be collected by the end of July 2025.
- 3.10 Total revised Government spending for FY2024-2025 is estimated at \$4,441.9 million, lower by \$110.3 million or -2.4 percent compared to the original budget. Operating expenditure has been revised to \$3,333.6 million, while Capital expenditure has been revised to \$1,108.3 million from \$3,317.4 million and

\$1,234.8 million, budgeted for FY2024-2025, respectively. In terms of the utilisation against the total revised estimate, total spending in the first ten months of the current fiscal year stood at 76.7 percent.

- 3.11 When compared to the last financial year, total revised expenditure is higher by \$348.1 million or 8.5 percent. The revised Operating expenditure is anticipated to increase by \$273.8 million or 8.9 percent, while the revised Capital expenditure is expected to increase by \$74.3 million or 7.2 percent.
- 3.12 Given the lower deficit of -3.6 percent of GDP estimated for FY2024-2025, Government debt is now projected at 77.5 percent of GDP (\$10,814.5 million) compared to earlier forecast of 78.0 percent of GDP.

2025-2026 Budget

- 3.13 For FY2025-2026, Government has budgeted a net deficit of \$886.0 million or -6.0 percent of GDP. This is based on an estimated total revenue of \$3,947.4 million (26.9 percent of GDP) and total expenditure of \$4,833.5 million (33.0 percent of GDP). The targeted fiscal deficit for FY2025-2026 will be financed by a combination of domestic and concessional external borrowing. Government debt is projected at 79.8 percent of GDP (\$11,700.6 million) by the end of July 2026.
- 3.14 Tax revenue collections for FY2025-2026 are projected at \$3,374.2 million, a decrease of \$46.7 million (-1.4 percent) compared to the revised FY2024-2025 estimate. This decline in tax revenue is primarily driven by the reduction of 2.5 percentage points in the VAT rate, which is expected to result in a loss of approximately \$177.6 million in potential net VAT collections. Consequently, the tax to GDP ratio is forecasted to decline to 23.0 percent in FY2025-2026 from 24.5 percent in revised FY2024-2025 estimate. The following key revenue measures are considered in the Budget:
- To ease the cost of living, the VAT rate will be reduced from 15 percent to 12.5 percent, effective from 1 August 2025 while zero-rating on 22 essential items will be maintained. The combined effect of the VAT reduction and continued zero-rating is expected to provide much-needed relief to households by lowering the cost of everyday goods and services, despite the substantial loss in VAT revenues;
 - Duty reductions on certain items have also been provided to further alleviate cost-of-living pressures and offer wider choices to ordinary households. These items include:
 - reduction in fiscal duty from 32 percent to 15 percent on chicken portions, including wings, drumsticks, offals;
 - reduction in fiscal duty on caster sugar from 32 percent to 5 percent;

- removal of 15 percent import excise duty on juice products that do not contain any added sugar;
 - reduction in fiscal duty from 15 percent to 0 percent on salmon and frozen fish;
 - reduction in fiscal duty from 32 percent to 15 percent on tomato sauce, along with the introduction of 5 percent import excise duty; and
 - reduction in fiscal duty from 32 percent to 5 percent on golf cars and similar utility vehicles and on electric golf cars and solar powered utility vehicles from 5 percent to 0 percent, to encourage the use of energy-efficient transport;
- VAT incentives have been introduced to encourage investment and reduce financial burden on households and cooperatives. These include:
 - VAT refunds on capital investment for residential solar projects by individuals;
 - VAT refunds on capital investment for the reconstruction of houses damaged by termite infestation; and
 - Zero-rated VAT will apply on termidor chemicals and mechanical harvester services supplied by registered cooperatives.
- To strengthen tax compliance, businesses with a turnover of \$50,000 and above will be required to register for VAT Monitoring System (VMS), which will be effective from 1 January 2026. The VAT registration threshold remains at \$100,000 and asset declaration will be mandatory for sole traders;
- TIN requirement for mobile wallets (M-PAiSA and MyCash) will become compulsory and income received through mobile wallets, including unexplained and unidentified deposits will be included in gross income. To enhance compliance, businesses will be required to maintain separate e-wallet accounts, obtain a TIN or face penalties for non-compliance. Mobile wallet transactions and associated services will be VAT exempt;
- An export duty of 3 percent will be introduced on gold/silver ores and concentrates, effective from 1 August 2025 to encourage domestic value addition and generate revenue for Government;
- As part of the 2024-2025 National Budget, the departure tax was increased from \$140 to \$170, effective from 1 August 2024 and will further increase to \$200 from 1 August 2025. This gradual increase in the departure tax is expected to generate around \$20.0 million in additional revenue;
- Concession code 212 on personal importation will be amended to demarcate

to include online purchases and donations/gifts as follows:

- personal importation through online purchases with a value up to \$1,000 (per consignment) will be subject to free fiscal duty, free import excise, with VAT applicable; and
 - goods for private use such as gifts and donations with a value not exceeding \$500 will be exempt from fiscal duty, import excise and VAT. For consignments exceeding \$500, normal duty rates and VAT will apply.
- The fringe benefit tax on electric vehicles will be reduced from 1 January 2026, to encourage wider adoption of electric vehicles by lowering the tax burden on employers providing them as a fringe benefit; and
 - The non-resident withholding tax on insurance premiums will increase from 3.0 percent to 3.75 percent to maintain proportionality with the corporate tax rate and support a more transparent and aligned tax system.

3.15 Other tax reforms include the review of the customs concessions and tax incentives regime aimed at reducing costs, removing protectionism, and harmonising the rates. For more details on Tax Policy Measures refer to **Chapter 9**.

3.16 Non-tax revenues are estimated at \$573.2 million in FY2025-2026, an increase of \$57.6 million or 11.2 percent compared to revised FY2024-2025 estimate. Government is expected to receive around \$183.3 million from fees, fines & charges, \$124.4 million in cash grants and \$159.1 million in dividends from State Owned Entities (SOEs) and profits from the RBF in FY2025-2026. Additional revenues of \$30.0 million in reimbursement and recoveries from various existing trust fund accounts is also expected to be received by Government.

3.17 Based on the above, the total revenue projection for FY2025-2026 is \$3,947.4 million. This includes tax revenue of around \$3,374.2 million and \$573.2 million in non-tax revenue. A detailed breakdown of revenues is provided in the 2025-2026 Budget Estimates.

3.18 Total Government expenditure for FY2025-2026 is budgeted at \$4,833.5 million, around \$391.6 million or 8.8 percent higher than the revised estimate for FY2024-2025. The increase in total expenditure accounts for higher allocations for civil service salary adjustments, increases in scholarship allowances, increased social welfare support, and increases in bus fare subsidy.

3.19 Operating expenditure for FY2025-2026 is budgeted at \$3,906.9 million, an increase by \$573.2 million or 17.2 percent, while Capital expenditure is budgeted at \$926.6 million, a decrease by \$181.6 million or -16.4 percent. The operating capital mix for the 2025-2026 Budget stands at 81:19. The shift in the operating

capital mix is mainly due to the reclassification of expenditures under the new budget classification structure. The following major expenditures have been reclassified from capital to operating:

- Fiji Scholarship Scheme - \$153.0 million;
- Vehicle Leasing - \$42.3 million;
- Back to School Assistance - \$40.0 million;
- Tourism Marketing Grant - \$35.0 million;
- Electricity Subsidy - \$9.5 million;
- FNPF Pension Payout - \$4.0 million;
- Termite Control Assistance Programme - \$2.9 million;
- FDB Subsidy: Interest on Agriculture Loans to Fijians - \$2.0 million;
- COVID-19 Credit Guarantee Facility Interest - \$2.0 million;
- VAT Aid-in-Kind - \$2.0 million;
- Outstanding Claim for the Momi Bay Road Development - \$2.0 million;
- and
- Northern Development Projects - \$2.0 million.

320 Notably, SEG 13 VAT has been removed and expenditures subject to VAT are now built into the respective SEGs. Further expenditure details are provided in the 2025-2026 Budget Estimates.

321 **Table 2** below outlines the fiscal framework for FY2025-2026. The projected total gross deficit, which is the sum of the net deficit and principal debt repayments, is around \$1,488.0 million. The gross deficit will be financed through domestic market and external borrowings from multilateral and bilateral development partners. The financing details are provided in the 2025-2026 Budget Estimates.

Table 2: Fiscal Framework FY2025-2026

Particulars	\$Million
Revenue	3,947.4
<i>As a % of GDP</i>	26.9
<i>Tax Revenue</i>	3,374.2
<i>Non-Tax Revenue</i>	573.2
Expenditure	4,833.5
<i>As a % of GDP</i>	33.0
Net Deficit	-886.0
<i>As a % of GDP</i>	-6.0
Gross Deficit	-1,488.0
Debt	11,700.6
<i>As a % of GDP</i>	79.8
GDP at Market Prices	14,660.8

Source: Ministry of Finance

322 **Table 3** depicts Government’s Cashflow from FY2023-2024 to FY2025-2026.

Table 3: Cashflow Statement

\$Million	2023-2024 (Actual)	2024-2025 (Revised)	2025-2026 (Budget)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Direct Taxes	1,009.1	1,092.5	1,169.5
Indirect Taxes	2,087.7	2,328.5	2,204.8
<i>Value Added Tax</i>	1,364.1	1,531.4	1,353.0
<i>Customs Taxes</i>	551.9	590.6	621.4
<i>Service Turnover Tax</i>	0.2	0.2	-
<i>Water Resource Tax</i>	72.0	75.5	75.5
<i>Departure Tax</i>	89.2	120.7	144.6
<i>Stamp Duty</i>	0.1	0.0	-
<i>Telecommunication Levy</i>	0.8	0.6	0.6
<i>Environment and Climate Adaptation Levy</i>	9.4	9.5	9.6
Fees, Fines, Charges & Penalties	154.2	161.4	183.3
Sales Revenue	-	0.0	-
Grants in aid	195.0	130.4	124.4
Dividends from Investment	133.6	158.3	159.1
Reimbursement & Recoveries	11.8	10.5	40.8
Other Revenues and Surpluses	44.8	50.0	53.0
Total Operating Receipts	3,636.1	3,931.5	3,934.9
Payments			
Personnel	1,042.0	1,186.1	1,299.7
Transfer Payments	887.1	951.4	1,376.1
Supplies and Consumables	353.3	410.6	489.2
Purchase of Outputs	257.3	241.9	203.7
Interest Paid	519.6	540.0	534.5
Other Operating Payments	0.5	3.7	3.8
Total Operating Payments	3,059.8	3,333.6	3,906.9
Net Cash Flows from Operating Activities	576.4	597.8	28.0
<i>As a % of GDP</i>	<i>4.4</i>	<i>4.3</i>	<i>0.2</i>
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Sale of Government Assets	7.9	-	5.0
Interest from Bank Balance	1.8	3.7	3.7
Interest on Term Loans and Advances	0.3	1.0	3.9
Return of Surplus Capital from Investment	-	0.3	-
Foreign Exchange Rate Gains	-	0.0	-
Total Investing Receipts	10.0	5.1	12.6
Payments			
Transfer Payments	868.4	900.8	700.3
Purchase of Physical Non-current Assets	165.6	207.5	226.4
Total Investing Payments	1,034.0	1,108.3	926.6

\$Million	2023-2024 (Actual)	2024-2025 (Revised)	2025-2026 (Budget)
Net Cash Flows from Investing Activities	(1,024.0)	(1,103.2)	(914.0)
<i>As a % of GDP</i>	-7.8	-7.9	-6.2
NET (DEFICIT)/SURPLUS	(447.6)	(505.3)	(886.0)
<i>As a % of GDP</i>	-3.4	-3.6	-6.0

Source: Ministry of Finance

Operating Revenue

- 3.23 Total direct tax collections (personal income tax, corporate tax, withholding tax, capital gains tax, fringe benefit tax and other taxes) is anticipated at \$1,092.5 million in FY2024-2025 and \$1,169.5 million in FY2025-2026. Collections for indirect taxes (including VAT, customs duties, water resource tax, departure tax and other levies) are projected at \$2,328.5 million in FY2024-2025 and \$2,204.8 million in FY2025-2026, a decrease of \$123.7 million or -5.3 percent.
- 3.24 The increase in collections for fees, fines and charges in FY2025-2026 is driven by Land Transport Authority's fees and fines, water charges and immigration fees. For grants in aid, the estimated collection at the end of FY2024-2025 is forecast at \$130.4 million, lower by \$48.3 million or 27.0 percent compared to the budget of \$178.6 million. Grants in aid are further projected to decrease to \$124.4 million in FY2025-2026. Dividend receipts are expected to total \$158.3 million in FY2024-2025 and increase slightly to \$159.1 million in FY2025-2026.
- 3.25 For FY2025-2026, Government expects to receive around \$3,934.9 million in operating revenue, an increase of \$3.4 million (0.1 percent) when compared to FY2024-2025.

Operating Payments

- 3.26 For FY2024-2025, the largest component of operating expenditure is personnel costs, which was around \$1,186.1 million⁶, representing 35.6 percent of operating expenditure and 26.7 percent of total expenditure. For FY2025-2026, personnel costs are expected to be around \$1,299.7 million, an increase of \$113.6 million (9.6 percent) to cater for salary increment and superannuation contributions.
- 3.27 A number of other operational expenditures are being considered for the next financial year, while some key initiatives are discussed in **Chapter 1**, with a detailed breakdown of expenditures provided in the 2025-2026 Budget Estimates.

⁶ Revised estimate based on the August 2024-May 2025 performance.

- 328 Based on these changes, the total operating expenditure for FY2025-2026 is set at \$3,906.9 million, an increase of \$573.2 million or 17.2 percent. Operating expenditure accounts for around 80.8 percent of total expenditure.

Net Cashflow from Operating Activities

- 329 Government recorded an operating surplus of \$576.4 million (4.4 percent of GDP) in FY2023-2024. For FY2024-2025, Government is anticipated to record an operating surplus of \$597.8 million (4.3 percent of GDP) and for FY2025-2026, Government is expected to record an operating surplus of around \$28.0 million (0.2 percent of GDP).

Investing Revenue

- 330 Investing revenues, comprising receipts from disposal of Government assets, interest from bank balance & term loans, and return of surplus from Trading & Manufacturing Account (TMA) operations, stood at \$10.0 million in FY2023-2024 and is anticipated to be around \$5.1 million in FY2024-2025. For FY2025-2026, investing revenue is expected to be around \$12.6 million.

Investing Payments

- 331 Government will fund existing and new investment projects for roads, water, health and energy in the 2025-2026 Budget. Based on the changes in investing programmes, total capital expenditure for FY2025-2026 is around \$926.6 million.

Net Cashflows from Investing Activities

- 332 A net investing deficit of \$1,024.0 million was recorded in FY2023-2024. For FY2024-2025 and FY2025-2026, the anticipated net investing deficit is around \$1,103.2 million and \$914.0 million, respectively.

Net Deficit

- 333 Government achieved a net deficit of \$447.6 million (-3.4 percent of GDP) in FY2023-2024. The estimated net deficit for FY2024-2025 is \$505.3 million (-3.6 percent of GDP), while the net deficit target for FY2025-2026 is \$886.0 million (-6.0 percent of GDP).

CHAPTER 4: MEDIUM-TERM FISCAL STRATEGY

- 4.1. This chapter provides an update to the Government's Medium-Term Fiscal Strategy (MTFS) for the period FY2025-2026 to FY2027-2028. The MTFS was endorsed by Cabinet in January 2025 and subsequently tabled in Parliament in March 2025. The overarching objective of the FY2025-2026 MTFS is to strike a fine balance between fiscal prudence and maintaining macroeconomic stability. At the core of the strategy is a commitment to fostering sustainable and resilient growth, addressing socio-economic challenges, promoting inclusive development and building robust economic and fiscal buffers to effectively respond to future shocks.
- 4.2. The FY2025-2026 MTFS underscores the importance of supporting long term growth, while safeguarding fiscal stability. To achieve this, Government must prioritise growth-enhancing policies and fast-track critical reforms that currently hinder private sector investment. Equally critical is the need to improve the efficiency and effectiveness of public spending by rationalising expenditures, enhancing the quality of public investments, and focusing on high-impact projects that contribute to long-term fiscal sustainability and economic resilience. At the same time, fiscal strategies must remain agile and responsive to the evolving global and domestic challenges that poses risks to Fiji's macroeconomic fundamentals. Over the past six months, major developments on the global front have contributed to heightened uncertainty and weaker economic prospects. In April 2025, the IMF revised its global growth forecast for 2025 downward from 3.3 percent to 2.8 percent.
- 4.3. A key factor behind the downward revision is the introduction of reciprocal tariffs by the US, which has disrupted global trade flows and supply chains. In addition, this has created widespread uncertainty, impacting nearly all economies, including Fiji's major trading partners and tourism source markets, which are now expecting weaker growth outlooks. In addition, the recent escalation of geo-political tensions in the Middle East, particularly the involvement of the US and Iran in the on-going Israel-Palestine conflict is expected to result in significant spillover effects. Consequently, Fiji's growth projection has been revised down from 3.4 percent to 3.2 percent for 2025.
- 4.4. To maintain confidence and keep the domestic economy on track, Government has opted for a marked deviation from the earlier approved MTFS. The 2025-2026 Budget adopts a proactive and measured counter-cyclical fiscal stance to respond to the projected slowdown and intensifying socio-economic pressures. The Budget provides for a higher deficit to support targeted interventions, including cost of living relief, expanded response to escalating drugs and HIV crisis and improved delivery of public services in critical areas such as education, health, public order and safety, utilities, roads and other infrastructure. A key measure is the reduction of the VAT rate from 15 percent to 12.5 percent, aimed at easing the financial

burden on households and vulnerable groups. In addition, funding for social protection programmes and civil service salaries has been increased, alongside new allocations to address emerging health and social issues.

- 4.5. Apart from the changes in taxes and higher expenditure allocations, the revised MTFS proposes a holistic review of the current tax expenditure provided by Government. While provisions such as exemptions, concessional rates, and investment-related incentives and allowances have been used to promote investment, stimulate economic growth, enhance social welfare, and support infrastructure development, they result in substantial forgone tax revenue. These incentives must be well targeted, time bound and balanced against their fiscal cost. This chapter further provides an overview of the tax expenditure framework, evaluates its fiscal impact and highlights the need for enhanced governance and strategic reforms to better align these incentives with national development priorities.

Medium-Term Fiscal Framework

- 4.6. In the 2025-2026 Budget, net deficit is budgeted at \$886.0 million, equivalent to -6.0 percent of GDP (compared to -3.7 percent of GDP approved in the MTFS). Revenue collections are forecast at \$3,947.4 million (26.9 percent of GDP), while expenditure is budgeted at \$4,833.5 million (33.0 percent of GDP). Accordingly, Government debt will now increase to \$11,700.6 million or 79.8 percent of GDP (compared to the MTFS forecast of \$11,498.0 million or 77.5 percent of GDP). **Table 4** provides the broad revenue, expenditure, deficit and debt targets for FY2025-2026 and the medium-term.

Table 4: Medium-Term Fiscal Targets

\$Million	2024-2025 (Revised)	2025-2026 (Budget)	2026-2027 (Budget)	2027-2028 (Budget)
Revenue	3,936.6	3,947.4	4,165.0	4,227.5
As a % of GDP	28.2	26.9	26.9	26.0
Tax	3,421.0	3,374.2	3,609.3	3,736.5
As a % of GDP	24.5	23.0	23.3	23.0
Non-Tax	515.6	573.2	555.7	491.0
As a % of GDP	3.7	3.9	3.6	3.0
Total Expenditure	4,441.9	4,833.5	4,785.9	4,795.5
As a % of GDP	31.8	33.0	30.9	29.5
Operating Expenditure	3,333.6	3,906.9	3,829.7	3,829.7
As a % of GDP	23.9	26.6	24.8	23.6
Capital Expenditure	1,108.3	926.6	956.2	965.8
As a % of GDP	7.9	6.3	6.2	5.9
Net Deficit	-505.3	-886.0	-621.0	-568.0
As a % of GDP	-3.6	-6.0	-4.0	-3.5
Total Debt	10,814.5	11,700.6	12,321.5	12,889.5
As a % of GDP	77.5	79.8	79.6	79.3
GDP at Market Prices	13,956.5	14,660.8	15,472.1	16,245.7

Source: Ministry of Finance

- 4.7. For FY2026-2027, the net deficit is set at \$621.0 million or -4.0 percent of GDP based on projected total revenues of \$4,165.0 million (26.9 percent of GDP) and total expenditure of \$4,785.9 million (30.9 percent of GDP). Accordingly, Government debt is estimated to be around \$12,321.5 million or 79.6 percent of GDP.
- 4.8. For FY2027-2028, the net deficit is set at \$568.0 million or -3.5 percent of GDP based on projected total revenues of \$4,227.5 million (26.0 percent of GDP) and total expenditure of \$4,795.5 million (29.5 percent of GDP). Accordingly, Government debt is estimated to be around \$12,889.5 million or 79.3 percent of GDP.
- 4.9. With a net financing requirement of around \$600.0 million in the medium-term, deficit can be financed easily given the appetite of local financial institutions such as FNPF and the availability of concessional financing from multilateral banks and development partners.

Revenue Strategy

- 4.10. Given the significant tax reforms undertaken in the last two years, the tax to GDP ratio improved significantly, rising from 19.5 percent in FY2022-2023 to 23.7 percent in FY2023-2024. In FY2024-2025, tax revenues are projected to rise further by \$324.2 million, reaching \$3,421.0 million or 24.5 percent of GDP.
- 4.11. Based on the key policy measures announced in the 2025-2026 National Budget, along with revised economic growth projections, total Government revenue is now projected to average around 26.6 percent of GDP in the medium-term. Tax revenues are forecast at 23.1 percent of GDP, while non-tax revenues are expected to average around 3.5 percent of GDP over the medium-term.
- 4.12. While Government is expected to lose around 1.5 percent of GDP in tax revenue from the reduction in VAT rate, the overall tax structure has been left largely unchanged to provide policy consistency to the private sector. At the same time, Government has maintained zero VAT on 22 essential items to provide relief to households.
- 4.13. In the medium-term, Government's revenue strategy will shift towards improving compliance through tax education and fostering a culture of self-regulation. To close compliance gaps, reduce under-reporting, and promote fair competition, the VMS will be introduced in FY2025-2026 for all businesses with a turnover of \$50,000 and above (while keeping the VAT registration threshold at \$100,000). FRCS will support the transition by providing a free Point-of-Sale (POS) system to businesses with an annual turnover between \$50,000 to \$100,000.
- 4.14. Furthermore, legislative amendments have also been initiated in FY2025-2026 to

align Fiji's tax laws with the Organisation for Economic Co-operation and Development's (OECD) Multilateral Convention on Mutual Administrative Assistance on Tax Matters (MAAC). This initiative aims to enhance international tax cooperation, combat tax evasion, and ensure compliance with global transparency standards. The amendments will establish a legal framework for information exchange, prioritise international agreements over domestic laws in case of inconsistencies, and empower FRCS to access necessary data from taxpayers and third parties, thereby strengthening Fiji's credibility and effectiveness in international tax matters.

4.15. Moreover, the following policy principles will guide the revenue strategies in the medium-term:

- Widen the tax base by gradually removing exemptions and other distortions and bringing provisions in place to collect revenues from E-commerce transactions;
- Improve tax compliance and collection of tax arrears by implementing digital tools and streamlined tax reporting methods, such as e-filing and simplified tax systems, to simplify compliance and broaden the tax net;
- Continue efforts to make the tax regime and tax administration simpler to encourage voluntary compliance;
- Review the VAT regime to move towards a single rate when the time is appropriate, including expenditure strategies to support the vulnerable;
- Introduce targeted tax policies in potential inelastic markets to generate sufficient revenue required for developmental goals;
- Regularly report and budget tax expenditure on exemptions and concessions to promote transparency and build support for rationalising such incentives;
- Introduce environmentally focused taxes and incentives, such as carbon taxes or incentives for sustainable businesses aligning with the NDP;
- Strengthen the property tax system by assessing properties regularly; and
- Review non-tax revenues on a cost recovery basis, while also ensuring that the vulnerable and disadvantaged are protected.

Expenditure Strategy

4.16. Total Government expenditure increased from \$3,589.2 million (30.7 percent of GDP) in FY2022-2023 to \$4,093.8 million (31.4 percent of GDP) in FY2023-2024, marking a rise of \$504.6 million. It is projected to increase by another \$348.1 million, reaching \$4,441.9 million (31.8 percent of GDP) in FY2024-2025. In FY2025-2026, total expenditure is projected to further increase by \$391.6 million, reaching \$4,833.5 million or 33.0 percent of GDP.

4.17. Given the significant rise in operating expenditures, future spending must focus on capping operating costs and improving efficiency by better targeting social protection programs and transfers, implementing measures to right-size the civil

service, and ensuring effective public service delivery. Regarding capital expenditures, priority should be given to high-impact projects that address infrastructure gaps identified in the NDP. The MTFF emphasises the importance of disciplined spending, with expenditure ceilings set for all Ministries to guide efficient resource allocation.

4.18. Over the medium-term, total Government expenditure is estimated to reduce from 33.0 percent of GDP in FY2025-2026 to 29.5 percent of GDP in FY2027-2028.

4.19. The medium-term goal is to reduce total expenditure to below 30 percent of GDP, while maintaining a capital operating mix of at least 20:80. The following strategies will guide Government's expenditure plans:

- Increase the efficiency of public expenditure to control the growth of expenses at sustainable levels;
- Undertake a holistic review to right-size the civil service and contain the public sector wage bill;
- Tighten control on operational expenditures, including travel, communications, trainings, workshops, fuel & maintenance and purchase of supplies with Key Performance Indicators (KPI) of agency heads and Permanent Secretaries linked to these targets;
- Restructure the social protection framework to prioritise the most vulnerable segments of society, and reforming existing subsidy mechanisms;
- Conduct proper investment appraisal and project selection for all new capital projects and strictly adhering to the Public Sector Investment Programme guidelines;
- Resources must be allocated based on a multi-year perspective and the implementation capacity of agencies, considering the need to meet competing expenditure demands;
- Major existing programmes to be reviewed and Government should ensure that all financial resources allocated are used prudently to derive real value for money;
- All new initiatives to be rolled out in phases to manage costs and pilot testing should be done for the rollout of major initiatives;
- Encourage more private sector participation in public infrastructure projects and delivery of other public services through PPP and other innovative arrangements;
- Allocating expenditure ceilings to all Ministries to ensure conservative and disciplined budgeting;
- Focus on effective and timely implementation of capital expenditure projects;
- Proper and effective monitoring of projects and budget utilisation through MoF; and

- Funding for on-going programmes to be based on assessment of current and past performance and progressive achievement of planned outputs.

Debt Management Strategy

- 4.20. Section 59 of the Financial Management Act (FMA) 2004 provides a legal framework for the Minister responsible for Finance to borrow money on behalf of Government. Under Section 59A of the FMA (Amendment Act) 2021, the MoF is required to prepare the debt management strategy.
- 4.21. The current Medium-Term Debt Management Strategy (MTDS) will end in FY2025-2026. A new three-year MTDS will be formulated in line with the medium-term fiscal framework.
- 4.22. The broad objectives of Government debt strategy in the medium-term are to:
- Minimise the medium to long-term cost of Government debt within prudent levels of risk; and
 - Support the development of a well-functioning domestic market for debt securities.
- 4.23. For Government to achieve the above objectives, it will focus on the following debt management policies to guide its borrowing in FY2025-2026 and in the medium-term:
- Lower the cost of debt through concessional financing from multilateral and development partners;
 - Diversify the maturity profile through issuances of short and medium-term bonds (2-year to 5-year tenor);
 - Continue issuances of long-term bonds (10-year to 20-year tenor) and introduce new maturity terms (above 20 year) to finance deficits;
 - Diversify debt instruments with the issuance of thematic bonds to finance targeted projects;
 - Develop the domestic bond market with the focus on transparency, secondary market trading, and investor diversification;
 - Undertake liability management operations such as call-backs, bond buybacks, switch operations and early redemptions;
 - Consider the embedded options available for external loans; and
 - Detailed analysis and assessment of Government agencies with lending and on lending arrangement and guarantees to minimise risks.

Tax Expenditure Assessment

- 4.24. A tax expenditure arises where the tax treatment of a class of taxpayer or an activity differs from the standard tax treatment (tax benchmark) that would otherwise apply. Transparent reporting of tax expenditures and other aspects of the tax system provides a more complete picture of the impact of Government policies on individuals, households and businesses, and any revenue forgone.
- 4.25. Tax expenditures can be categorised as follows:
- concessional rates that reduce the rate of tax that applies to certain groups or types of incomes;
 - exemptions that exclude certain groups from paying tax on income they receive;
 - allowances, credits or rebates that either deduct amounts of income from the tax base or refund a portion of taxes already paid; and
 - tax deferrals that postpone paying of taxes until a later date.
- 4.26. These are considered “expenditures” because they function like Government spending by providing financial support through the tax system.
- 4.27. Fiji implements various tax expenditures to promote investment, infrastructure development, social welfare and economic growth. Major categories include:

Table 5: Tax Expenditure Categories

Category	Type of Tax Expenditure
Income Tax Expenditure	<ul style="list-style-type: none">i. Personal Income Tax Reliefs<ul style="list-style-type: none">• Income tax threshold set at \$30,000.ii. Corporate Income Tax Incentives<ul style="list-style-type: none">• Tax holidays for sectors such as tourism, agriculture and ICT.• Reduced corporate tax rates for certain industries listed under the South Pacific Stock Exchange (SPX).• Export Income Deduction.iii. Accelerated Depreciationiv. Tax Free Region Incentive – specific regions enjoy tax-free status for a defined number of years.v. Other Investment related incentives – Short Life Investment Package (SLIP), Medical Investment Package, Residential Housing Development Package.
VAT Expenditure	<ul style="list-style-type: none">i. Zero-rated Goods and Service – basic food items, public transportation, medical services and exports.ii. Exempt Supplies – financial services, residential accommodation, education and health services.

Category	Type of Tax Expenditure
Customs and Excise Duty Concessions	<ul style="list-style-type: none"> i. Tariff Exemptions <ul style="list-style-type: none"> • Duty Concessions for raw materials and capital equipment for manufacturers and exporters. • Exemptions for donor-funded projects or international organisations. ii. Excise Duty Relief <ul style="list-style-type: none"> • Incentives for fuel-efficient and electric vehicles. • Relief for specific goods to support green transition or national development goals.

4.28. Fiji's tax system plays a central role in financing development, reducing inequality and promoting investment. However, a significant portion of potential revenue is foregone through tax expenditures and some of those are highlighted in **Table 5** above. Majority of the tax expenditure comes from the zero-rated VAT on essential items and exemptions from certain activities. In addition, the tax holidays provided to the tourism sector, the tax-free region incentive package which cuts across all sectors and customs duty exemptions on raw materials and capital goods form part of the tax expenditure package.

4.29. The IMF has recommended the following reforms in the medium-term:

- Repealing the Export Income Deduction incentive;
- Discontinuation of tax holidays and grandfathering existing contracts;
- Focus on cost-based incentives: accelerated depreciation, investment allowances and fiscal duty reductions;
- Streamline incentives by repealing measures not in current use;
- In relation to Personal Income Tax, reduce or at least do not expand tax preference for employer FNPf contribution; and
- Reform custom duties especially for high- concessionary goods.

4.30. Tax expenditure is a powerful fiscal tool, but without strong governance, they can undermine revenue mobilisation and policy equity. To ensure effectiveness, Fiji must align tax incentives with its strategic development priorities, enhance transparency and maximise the return on public revenue forgone.

CHAPTER 5: GOVERNMENT DEBT AND INVESTMENTS

- 5.1 This chapter provides an update on Government's Balance Sheet, covering major assets and liabilities, arrears of revenue, public debt, contingent liabilities and Government's investment in SOEs.

Government Debt

- 5.2 Total Government debt at the end of July 2024 stood at \$10,309.2 million equivalent to 79.0 percent of GDP and is projected to reach \$10,814.5 million at the end of July 2025, equivalent to 77.5 percent of GDP. This comprises \$7,022.9 million (64.9 percent) of domestic debt and \$3,791.6 million (35.1 percent) external debt.
- 5.3 **Table 6** shows Government's debt position from FY2020-2021 to FY2024-2025.

Table 6: Total Government Debt (\$Million)

Particulars	Jul-21	Jul-22	Jul-23	Jul-24	Jul-25 (f)
Domestic Debt	5,241.2	5,767.4	6,170.5	6,587.9	7,022.9
External Debt	2,422.5	3,364.1	3,577.0	3,721.3	3,791.6
Total Debt	7,663.7	9,131.5	9,747.5	10,309.2	10,814.5
Debt (As a % of GDP)	84.2	90.7	83.4	79.0	77.5
Domestic Debt to Total Debt (%)	68.4	63.2	63.3	63.9	64.9
External Debt to Total Debt (%)	31.6	36.8	36.7	36.1	35.1
Nominal GDP	9,098.8	10,069.5	11,690.9	13,045.7	13,956.5

Source: Ministry of Finance

- 5.4 Government continues to strive to achieve a debt mix of 70:30 (+/-5) between domestic and external to safeguard against any exchange rate risks. Trend for the last three years since FY2021-2022 noted a slight deviation from target and this is anticipated to be on track in the medium-term.
- 5.5 In FY2024-2025, Government secured a cumulative financing sum of US\$193.5 million (approximately \$450.4 million) to facilitate key projects which include the Critical Bridges Resilience (CBR) Project and the Pacific Strengthening Correspondent Banking Relationships Project (PSCBR). The CBR project is co-financed by the ADB and World Bank, aims to improve transport domestic activity in Fiji with climate and disaster resilient infrastructure. The breakdown of the financing secured during the period is presented in **Table 7**.

Table 7: Total financing secured for FY2024-2025

Particulars	Financier	Financing Type	Signed	Financing Value (USD)	FJD Equivalent
Critical Bridges Resilience Project	ADB	Loan (concessional)	03-Dec-24	120.0	279.3
	ADB	Grant	03-Dec-24	14.5	33.8
	WB-IBRD	Loan (non-concessional)	06-Feb-25	25.0	58.2
	WB-IDA	Loan (concessional)	06-Feb-25	25.0	58.2
	Total Financing - CBR			184.5	429.5
Pacific Strengthening Correspondent Banking Relationships Project	WB-IDA	Loan (concessional)	03-Oct-24	9.0	20.9
	Total Financing - PSCBR			9.0	20.9
Total Financing Secured in FY2024-2025				193.5	450.4

Source: Ministry of Finance

- 5.6 The PSCBR project is expected to resolve issues related to correspondent banking in the Pacific. This is a first regional project for Government, committing US\$9.0 million (approximately \$20.9 million) of IDA loan funding while other PICs are contributing either through their grant resources or IDA loans.
- 5.7 Government and development partners including ADB, World Bank, Government of Australia, New Zealand Government and the European Union (EU) are in advanced discussions for Sub-Program 2 of the joint budget support policy-based operation. The total funding comprises loans and grants of around \$400.0 million and is contingent on Government achieving a policy reforms package by March 2026.
- 5.8 Government is in discussion with the ADB on a financing package to facilitate the Fiji - Healthy Oceans and Water Supply Improvement Project (HOWSIP), which will focus on the following:
- (i) Inclusive urban development, focusing on spurring economic activity, enhancing liveability, environmentally sustainable, and resilient to the impacts of climate change and natural disasters; and
 - (ii) A healthy ocean that sustains the livelihoods and aspirations of Fiji's current and future generation. This is estimated to cost around US\$166.0 million (approximately \$386.3 million) with ADB board approval anticipated around October 2025.

Domestic Debt

- 5.9 Total domestic debt stood at \$6,587.9 million or around 50.5 percent of GDP, at the end of July 2024 and is projected to reach \$7,022.9 million, equivalent to 50.3 percent of GDP by the end of July 2025 (**Table 8**). The domestic capital market is

the primary source of Government financing with key institutional investors such as the FNPF, insurance companies, commercial banks and other non-bank financial institutions playing an active role in its development.

Table 8: Government Domestic Debt (\$Million)

Particulars	Jul-21	Jul-22	Jul-23	Jul-24	Jul-25 (f)
Bonds	4,967.7	5,483.9	5,905.4	6,308.9	6,732.9
Treasury Bills	273.5	283.5	265.1	279.0	290.0
Total Domestic Debt	5,241.2	5,767.4	6,170.5	6,587.9	7,022.9
Domestic Debt to GDP (%)	57.6	57.3	52.8	50.5	50.3

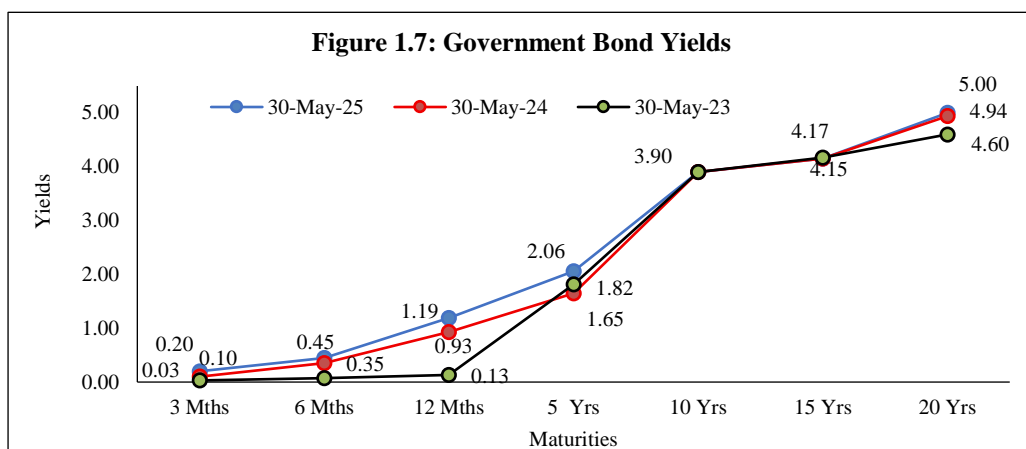
Source: Ministry of Finance

- 5.10 The major debt instruments for the domestic market include the Fiji Infrastructure Bonds (FIB), Fiji Green Bonds (FGB), COVID-19 Response Bond (CRB), Fiji Sovereign Blue Bonds (FSBB), Viti Bonds (VTB) and Treasury Bills (T-Bills). FIBs are issued mainly to fund major capital infrastructure projects, while the Green and Blue Bonds are to finance environmental and climate change related projects. VTB are tailor made to attract retail and small investors, while short term financing needs are managed through the issuance of T-Bills.
- 5.11 VTB continue to be in high demand for small and retail investors in the domestic capital markets, fulfilling Government's aim to engage retail participants. With an annual borrowing limit of \$10.0 million, the allocation for FY2024-2025 was fully utilised within the first six months, indicating substantial appetite. This has been the trend since FY2019-2020. The annual borrowing limit for VTB will be set at \$15.0 million from FY2025-2026.
- 5.12 Domestic debt maturity profiles vary, with FIB, FGB, CRB and FSBB are on fixed, semi-annual coupon securities with maturities ranging from 2 to 20 years. VTB have three maturity profiles on 5-year with annual coupon rate of 3.0 percent, 7-year and 10-year with a coupon rate of 3.5 percent and 4.0 percent respectively, while interest is paid quarterly. Maturity profile for T-Bills ranges from 3 months, 6 months and 12 months, while interest rates vary depending on market conditions.

Domestic Interest Rate Structure

- 5.13 Given the steady liquidity levels (around \$2.1 billion in June 2025), the yields for certain Government debt instruments have largely remained constant resulting in a lower uptake of long-term Government securities. On the same note, the interest rates on shorter maturities have increased, which has led to a higher appetite for these securities.
- 5.14 In comparing the movements in Government bond yields for the last three years, the shorter end of the yield curve (3-months to 12-months maturities) recorded increases, with the 12 months yield notably rising from 0.13 percent to 1.19 percent. Longer term yields (10 year and 15 year) were relatively constant, while

the 20-year yield increased from 4.6 percent to 5.0 percent. This is illustrated in Figure 1.7.



Source: Ministry of Finance

External Debt

- 5.15 Total external debt stood at \$3,721.3 million, as of July 2024 and is projected to increase to \$3,791.6 million by the end of July 2025, equivalent to 27.2 percent of GDP (Table 9). External loans have increased significantly over the years attributed to policy-based programmatic loans and financing facilitating emergency response efforts, system development and key infrastructure loans.

Table 9: Government External Debt (\$Million)

Particulars	Jul-21	Jul-22	Jul-23	Jul-24	Jul-25 (f)
Loans	2,422.5	3,364.1	3,577.0	3,721.3	3,791.6
Total External Debt	2,422.5	3,364.1	3,577.0	3,721.3	3,791.6
External Debt to GDP (%)	26.6	33.4	30.6	28.5	27.2

Source: Ministry of Finance

- 5.16 In terms of external debt composition, multilateral loans constitute the largest component of the portfolio at 80.6 percent, while the remaining are bilateral financing at 19.4 percent. By currency composition, 82.8 percent of the external debt portfolio is denominated in the USD, followed by the JPY at 10.2 percent and 6.9 percent in the CNY (Table 10).

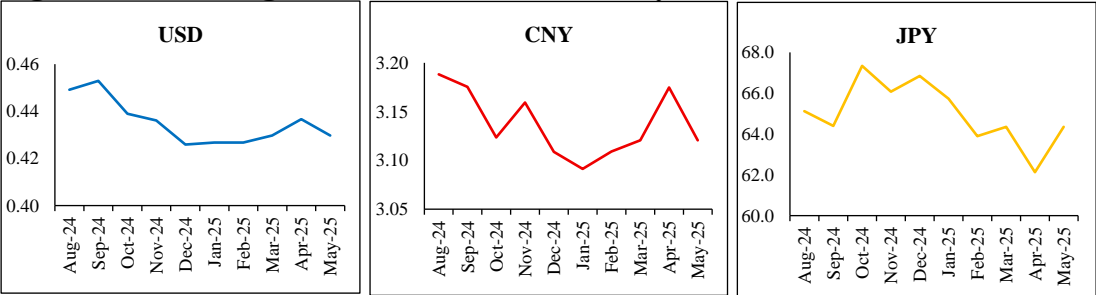
Table 10: External Debt Stock by Currency (\$Million)

Particulars	Jul-21	Jul-22	Jul-23	Jul-24	Jul-25 (f)
USD	1,686.7	2,519.0	2,815.5	3,036.0	3,140.9
CNY	444.8	431.4	363.0	310.6	262.3
JPY	290.3	413.7	398.5	374.7	388.4
EUR	0.7	-	-	-	-
Total External Debt	2,422.5	3,364.1	3,577.0	3,721.3	3,791.6

Source: Ministry of Finance

5.17 The exchange rate movements have been generally mixed against portfolio currencies in the last 10 months as presented in **Figure 1.8**. At the end of May 2025, the FJD gradually weakened against the USD and CNY, while it strengthened against the JPY.

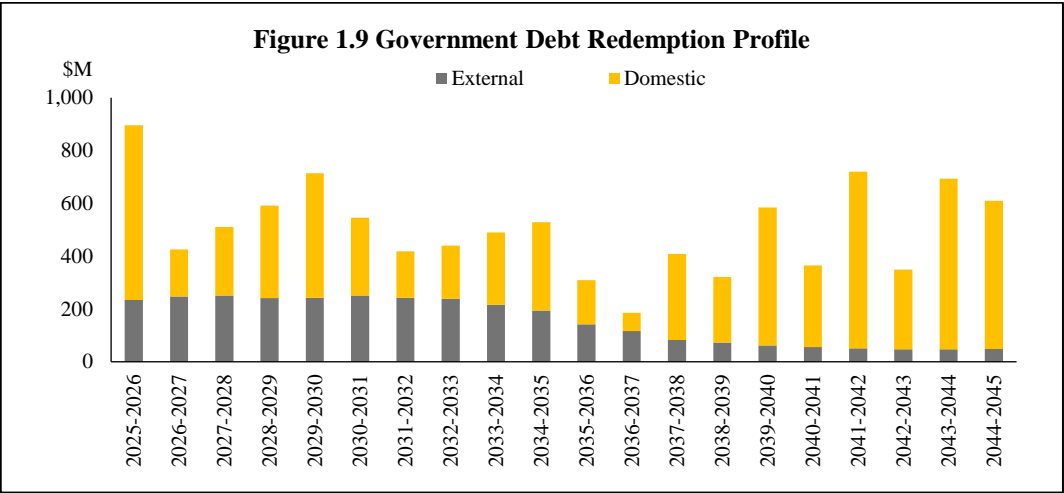
Figure 1.8: Exchange Rate Movements as at May 2025



Source: Ministry of Finance

Government Debt Redemption Profile

5.18 Government’s debt maturity profile indicates a significant maturity in the upcoming fiscal year (FY2025-2026) in the domestic debt portfolio, which is inclusive of the T-Bills financing. The profile is notably concentrated in the 2030, 2040, 2042, 2044 and 2045 fiscal periods particularly for the domestic debt portfolio. Prior to and during these respective periods, Government will undertake liability management operations such as bond buybacks, bond switches and call backs to achieve an optimal maturity structure. **Figure 1.9** illustrates Government’s debt redemption profile.⁷



Source: Ministry of Finance

⁷ The profile is based on the July 2025 Disbursed Outstanding Debt (DOD) forecast.

Risk Indicators

- 5.19 **Table 11** evaluates the key costs and risks trade-off associated with the central Government's debt portfolio through the instruments designated to facilitate Government's financing needs in line with debt management objectives. The MTDS covering the fiscal periods 2024 to 2026 outline indicative targets to be achieved by fiscal year 2026. A review of the overall debt portfolio against these objectives are performed quarterly and annually to ensure major financial risks are managed effectively.

Table 11: Risk Exposure as of July 2025⁸

Particulars		FY2023-2024			FY2024-2025 (f)		
		External debt	Domestic debt	Total debt	External debt	Domestic debt	Total debt
Amount (FJ\$ Million)		3,721.3	6,587.9	10,309.2	3,791.6	7,022.9	10,814.5
Amount (US\$ Million)		1,626.6	2,879.6	4,506.1	1,658.4	3,071.8	4,730.3
Nominal debt (% of GDP)		28.5	50.5	79.0	27.2	50.3	77.5
Refinancing risk	ATM (years)	12.9	10.8	11.7	13.0	10.8	11.7
	Debt maturing in 1 year (% of total)	4.1	6.6	5.6	5.0	9.4	7.7
Interest rate risk	ATR (years)	10.1	10.8	10.5	10.7	10.8	10.8
	Debt re-fixing in 1 year (% of total)	45.1	6.6	22.4	42.1	9.4	22.5
	Weighted Av. IR (%)	4.4	5.8	5.2	4.0	5.7	5.1
FX risk	FX debt (% of total debt)	36.1			35.1		

Source: Ministry of Finance

- 5.20 The Average Time to Maturity (ATM) of Government's debt portfolio, remains stable at around 12 years with external debt at 13 years and domestic debt at 11 years. This is attributed to the longer-term maturities from the issuance of long-term bonds in the domestic market and concessional financing during the period from development partners. Majority of the new overseas financing facilities include grace periods of 10 years with amortisation of principal amounts until maturity, while in the case of domestic market securities principal amounts are redeemed through bullet-payment method.
- 5.21 The debt to GDP ratio is projected to decline to around 77.5 percent in FY2024-2025 from 79.0 percent in FY2023-2024 on account of strong growth in GDP. The foreign currency debt component is very close to the benchmark of 35.1 percent, down from 36.1 percent in the previous financial year. The Weighted Average

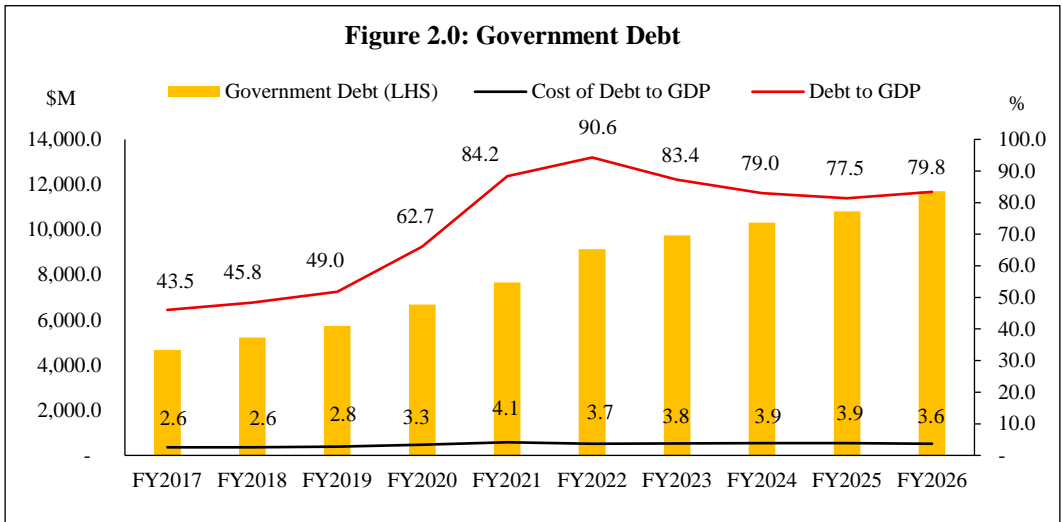
⁸ Risk exposure for July 2025 is based on the July 2026 DOD forecast.

Interest Rate (WAIR) is forecast at 5.1 percent, a marginal decrease of around 10 bp driven by overseas borrowing, which are at concessional terms, while costs for long-term bonds in the domestic market have remained constant over the year.

- 5.22 While both domestic and overseas borrowing have increased, the implementation period for some key infrastructure projects co-funded by bilateral and multilateral partners are expected to close by July 2025. Furthermore, Government's continued efforts in meeting its obligations in a timely and cost-efficient manner has led to a decrease in some of its overseas loan facilities through amortisation and maturing loans. Some facilities are expected to reach maturity in FY2025-2026 and FY2029-2030.
- 5.23 The Average Time to Refixing (ATR) describes the time taken in years to fix the interest rates. A shorter ATR implies that the debt portfolio is exposed to variable interest rate shocks. ATR at the end of July 2025 is expected at 10.8 years compared to 10.5 years in the previous financial year, which implies that Government has adequate time to re-fix interest rates.
- 5.24 In terms of exposure to foreign exchange rate risk, around 35.1 percent of the total Government debt portfolio is denominated in foreign currency. The component of the portfolio's exposure to fluctuation of foreign currency rates have declined to the target since FY2021-2022. Government will continue to monitor its foreign currency facilities closely and will explore embedded options available to mitigate any immediate or long-term foreign currency risks.

Cost Indicators

- 5.25 Cost of debt has been broadly stable since FY2021-2022 due to highly concessional external financing and low interest rates in the domestic market amidst high liquidity levels as illustrated in **Figure 2.0**.
- 5.26 Interest payments as a percentage of GDP stood at 2.6 percent in FY2016-2017 with total Government debt at 43.5 percent of GDP. This is projected at 3.9 percent at the end of July 2025 and is expected to fall to around 3.6 percent at the end of July 2026. The decline is attributed to the increase in concessional financing where interest rates were between 0.01-2.0 percent with longer maturity terms up to 40 years inclusive of 10-year grace period.



Source: Ministry of Finance

Contingent Liabilities

- 5.27 Total contingent liabilities stood at \$1,616.5 million or 11.6 percent of GDP (**Table 12**) at the end of April 2025. This comprised of explicit guarantees (59.6 percent), other explicit contingent liabilities (37.0 percent) and implicit contingent liabilities accounted for the remaining 3.4 percent.
- 5.28 Government guaranteed debt stood at \$963.1 million, equivalent to 6.9 percent of GDP at the end of April 2025. This marks 5.2 percent decline compared to the previous financial year attributed to the on-going servicing of guaranteed debt.

Table 12: Contingent Liabilities

Government Guarantees	Jul-21	Jul-22	Jul-23	Jul-24	Apr-25
Air Pacific Limited trading as Fiji Airways (FA)	421.7	439.4	423.8	427.7	373.8
Fiji Development Bank (FDB)	308.8	301.5	274.6	200.4	201.1
Fiji Hardwood Corporation Limited (FHCL)	0.7	-	-	-	-
Fiji Sugar Corporation Limited	216.9	243.0	280.2	293.0	293.6
Housing Authority (HA)	102.2	81.7	109.1	93.9	94.0
Pacific Fishing Company Pte Limited (PAFCO)	0.8	3.0	0.8	1.1	0.6
Total Explicit Government Guarantees (A)	1,051.1	1,068.6	1,088.5	1,016.1	963.1
% of Government Guarantees to GDP	11.6	10.6	9.3	7.8	6.9
International Bank for Reconstruction & Development (IBRD)	300.6	329.4	347.1	353.6	366.3
Asian Development Bank (ADB)	204.2	200.2	206.8	210.7	208.2

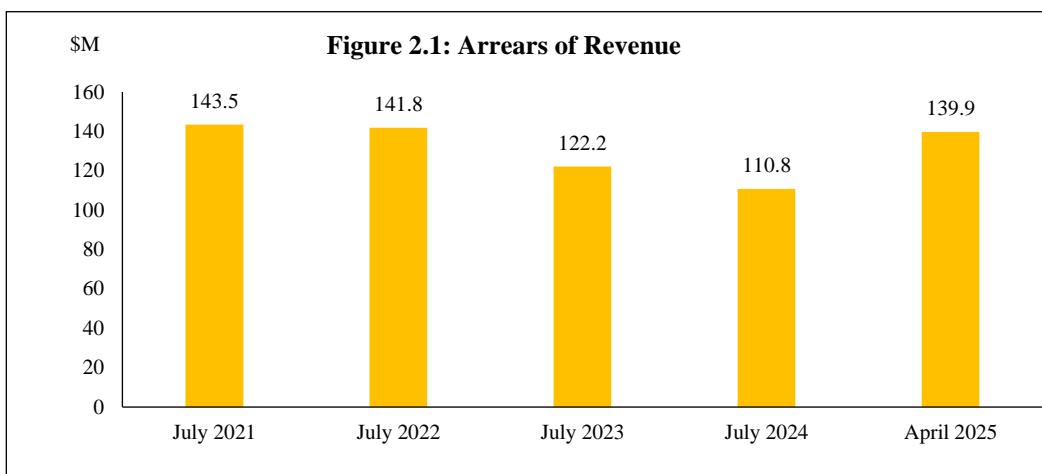
Government Guarantees	Jul-21	Jul-22	Jul-23	Jul-24	Apr-25
Asian Infrastructure Investment Bank (AIIB)	20.8	22.1	22.5	22.9	22.9
Total Other Explicit Contingent Liabilities (B)	525.6	551.7	576.4	587.2	597.4
Total Implicit Contingent Liabilities (C)	78.1	90.7	89.6	55.4	56.0
Total Other Contingent Liabilities (B+C)	603.7	642.4	666.0	642.6	653.4
Total Contingent Liabilities (A+B+C)	1,654.8	1,711.0	1,754.5	1,658.7	1,616.5
Total Contingent Liabilities to GDP (%)	18.2	17.0	15.0	12.7	11.6

Source: Ministry of Finance

- 5.29 Government will continue to effectively manage contingent liabilities with stringent monitoring of activities of guaranteed entities to ensure minimal fiscal risks.

Arrears of Revenue

- 5.30 Government's arrears of revenue consist of unpaid revenues (duties, fees, rates, charges, penalties, and fines) levied on the provision of goods and services (**Figure 2.1**).
- 5.31 Total arrears of revenue have significantly declined from \$143.5 million in July 2021 to \$110.8 million in July 2024, mainly attributed to improvement in compliance and other measures taken to improve collection of outstanding revenues.
- 5.32 At the end of April 2025, total arrears of revenue recorded at \$139.9 million, an increase of 26.1 percent when compared to the last fiscal year, July 2024. Furthermore, since FY2018-2019, the FRCS arrears (unpaid taxes) has been excluded from the Arrears of Revenue summary and recognised as Accounts Receivable in Statement of Assets and Liabilities. The reporting has been updated accordingly to reflect this change.



Source: Ministry of Finance

Lending/On-Lending Fund (Term Loan Receivables)

- 5.33 Government lending and on-lending to Government entities and agencies is outlined in **Table 13**. Term loan receivables are projected at \$65.0 million at the end of FY2024-2025, a decline of 26.5 percent from the previous year. This is attributed to the ongoing repayment of loans by agencies including a one-off settlement from Housing Authority.
- 5.34 On 15 July 2024, Cabinet approved the write-off of Government debt to entities that were initially earmarked for debt-to-equity conversion, and this includes Fiji Sugar Corporation (FSC), Viti Corporation Company Limited (VCCL), Fiji Rice Pte Limited (FRL) and Pacific Fishing Company Limited (PAFCO).

Table 13: Lending Fund (\$Million)

Lending/On-Lending Fund Agencies	Jul-21	Jul-22	July-23	Jul-24	Jul-25 (f)
Lending Agencies					
Public Officers and Ministers	0.01	0.01	0.01	0.01	0.01
iTaukei Affairs Board	4.5	4.3	4.1	4.1	4.1
FRCS-Tertiary Education Loan Scheme (TELS)	539.4	589.1	-	-	-
FRCS-PSC Scholarship Recovery	8.8	8.8	8.7	8.7	8.7
Fiji Sports Council	4.5	4.5	4.4	3.9	3.9
Fiji Sugar Corporation Limited (FSC)	200.3	200.2	200.2	-	-
Viti Corporation Company Limited (VCCL)	2.9	2.9	2.9	-	-
Food Processors Fiji Limited	1.9	1.9	1.9	1.9	1.9
Fiji Rice Pte Limited (FRL)	1.9	1.9	1.9	-	-
South Pacific Fertilisers Limited (SPFL)	9.2	8.8	8.7	7.8	7.2
Pacific Fishing Company Limited (PAFCO)	9.0	9.0	9.0	-	-
Public Rental Board (PRB)	0.0	1.0	1.0	1.0	1.0
FRCS MSME Loan Scheme	0.0	33.3	32.2	31.4	31.4

Lending/On-Lending Fund Agencies	Jul-21	Jul-22	July-23	Jul-24	Jul-25 (f)
Total Lending	782.4	865.7	275.1	58.8	58.2
On-Lending Agencies					
Housing Authority (HA)	28.0	25.5	25.5	22.8	0.0
Public Rental Board (PRB)	7.5	6.8	6.8	6.8	6.8
Total On-Lending	35.5	32.3	32.3	29.6	6.8
Total Outstanding Loans	817.9	898.0	307.4	88.4	65.0

Source: Ministry of Finance

Equity Investment

- 5.35 The Ministry of Public Enterprises is guided by the Public Enterprises Act 2019 and other policies/frameworks for effective monitoring and surveillance of SOEs. A total of 13 entities have been designated as public enterprises and are listed under Schedule 1 of the Public Enterprises Act 2019. However, Government continues to report on all SOEs in which it has investment shareholding interest.
- 5.36 Government shares and investment in SOEs feature as a prominent asset item in Government's balance sheet. To ensure the sustainability and continuity of SOEs, Government provides both direct and indirect, financial and non-financial support, including grants and aid, loans and Government guarantees.
- 5.37 Government, through the Ministry of Public Enterprises, appoints Directors to serve on Boards of Public Enterprises and Statutory Authorities listed in Schedule 3 of the Public Enterprise Act.
- 5.38 In receiving the Technical Assistance Program delivered in partnership with the ADB, the Ministry facilitated a workshop on Corporate Governance for Public Enterprise Directors. Following this, a Directors' Remuneration Policy workshop was conducted together with a briefing on the NDP and how the Public Enterprises business plans are to be aligned with the plan.
- 5.39 The workshop and briefing were attended by Board Directors of Public Enterprises and Statutory Bodies, Senior Executive Management and Company Secretaries. Participants were given a greater insight into the principles of good governance, role of Board Directors versus Management, duties and responsibilities of Directors and Officers, financial and risk management, strategic planning, and roles of Board Secretaries. For appointment of Board Directors in the SOEs, the Ministry uses Merit-Based Selection and Appointment Process.
- 5.40 **Table 14** below provides an overview of Government's shareholding in SOEs.

Table 14: Shares & Portfolio Allocations in SOEs

	State Owned Entities	Shares (%)	Sector/Portfolio
	Public Enterprises (PEs)		
1	Airports Fiji Limited (AFL) T/A Fiji Airports	100	Transport & Infrastructure
2	Fijian Broadcasting Corporation Pte Limited (FBCL)	100	Communication
3	Fiji Hardwood Corporation Pte Limited (FHCL)	100	Fisheries & Forestry
4	Fiji Public Trustee Corporation Pte Limited (FPTCL)	100	Trade & Finance
5	Food Processors (Fiji) Pte Limited (FPFL)	100	Agriculture
6	Post Fiji Pte Limited (PFL)	100	Communication
7	Fiji Rice Pte Limited (FRL)	100	Agriculture
8	Unit Trust of Fiji (Management) Limited (UTOFML)	100	Trade & Finance
9	Pacific Fishing Company Pte Limited (PAFCO)	99.6	Fisheries & Forestry
10	Yaqara Pastoral Company Pte Ltd (YPCL)	100	Agriculture
11	Fiji Meats Industry Board (FMIB)	100	Agriculture
12	Fiji Coconut Millers Pte Limited (FCML)	96	Agriculture
	Not Listed as Public Enterprises		
1	Housing Authority (HA)	100	Trade & Finance
2	Public Rental Board (PRB)	100	Trade & Finance
3	Water Authority of Fiji (WAF)	100	Transport & Infrastructure
4	Viti Corps Company Ltd (VCCL)	100	Agriculture
5	Maritime Safety Authority of Fiji	100	Transport & Infrastructure
6	Fiji Pine Ltd (FPL)	99.8	Fisheries & Forests
7	Fiji Sugar Corporation Ltd (FSC)	68	Agriculture
8	Energy Fiji Limited (EFL)	51	Transport & Infrastructure
9	Air Pacific Limited T/A Fiji Airways & Subsidiaries (FA)	51	Transport & Infrastructure
10	Air Terminal Services (ATS)	51	Transport & Infrastructure
11	Fiji Ports Corporation Pte Ltd (FPCL)	41	Transport & Infrastructure
12	Amalgamated Telecom Holdings (ATH)	17.3	Communication

Source: Ministry of Finance & Ministry of Public Enterprises

5.41 **Table 15** below shows the financial position and performance of all 24 SOEs.

Table 15: SOEs Portfolio Performance (\$Million)

Financial Indicators	Total SOE Portfolio			
	2021	2022	2023	2024
Total Assets	8,841.2	9,145.9	9,859.7	11,183.4
Total Liabilities	5,116.8	5,273.0	5,829.8	6,841.2
Shareholder's Equity	3,724.4	3,872.9	4,029.9	4,343.2
Total Revenue	1,187.4	2,378.2	3,148.6	4,150.6
Total Expenditure	1,411.9	2,315.5	2,915.3	3,977.3
Net Profit After Tax	-224.6	62.7	233.2	173.3
Dividends	21.9	31.0	37.7	16.0

Financial Indicators	Total SOE Portfolio			
	2021	2022	2023	2024
Return on Assets (ROA)	-2.63%	0.70%	2.45%	1.60%
Return on Equity (ROE)	-5.94%	1.65%	5.90%	3.99%
Debt to Equity	137%	136%	145%	158%

Source: Ministry of Finance & Ministry of Public Enterprises

- 5.42 Total asset base of the SOEs portfolio has grown significantly in the last 3 years, standing at over \$11,183.4 million at end of 2024 with entities in the infrastructure and transport sector (AFL, EFL, FPCL and Fiji Airways) having the largest asset base. Similar trend has been noted in consolidated SOEs liabilities due to the increase in externally funded capital investments and borrowings for further upgrades.
- 5.43 SOEs experienced a reduction in Net Profit after Tax and dividends in 2024. This has been mainly attributed to shortages in supply of raw materials in the agriculture sector resulting in low production. Also attributable to this reduction were repairs, maintenance, and upgrades in the Agriculture, Transport and Infrastructure sectors.
- 5.44 **Table 16** below shows sectoral performance of SOEs. Over the years, entities in the Communications sector have contributed the highest returns on assets and equity, specifically ATH and FBCL. This has deteriorated in 2024 as spending on upgrades for greater coverage and scalability have been underway and the return on these investments is awaited. ROA from the Fisheries and Forestry sector has deteriorated in 2024. This has been mainly due to machinery and processing plants in need of replacements and upgrades to cater for increases and changes in consumer demand. Feasibility studies for upgrades and replacements has been underway in 2024.
- 5.45 The Trade & Finance sector as well as the Transport & Infrastructure sector experienced negative returns in 2024.

Table 16: Average ROA and ROE by Sector (%)

Sector	2021		2022		2023		2024	
	ROA	ROE	ROA	ROE	ROA	ROE	ROA	ROE
Agriculture	-13.34	-14.56	-4.81	-4.27	-4.93	-4.00	0.99	4.48
Communication	4.20	6.02	2.99	4.11	3.20	4.27	0.06	0.37
Fisheries & Forestry	6.04	7.10	3.60	4.19	3.33	3.88	0.93	4.36
Trade & Finance	0.08	0.20	17.97	40.85	0.61	1.21	-0.12	-0.48
Transport & Infrastructure	-3.68	-8.22	-0.29	-0.71	2.65	6.55	-2.79	1.05

Source: Ministry of Finance & Ministry of Public Enterprises

Dividends from Government Investments by Sector

5.46 **Table 17** below outlines the dividends received from SOEs by sector from 2020 to 2024.

Table 17: Dividends by Sector (\$Million)

Sector	2020	2021	2022	2023	2024
Agriculture	3.5	-	-	-	-
Communication	2.2	-	1.5	-	-
Fisheries & Forestry	-	-	-	0.4	-
Trade & Finance	0.7	-	-	0.8	0.7
Transport & Infrastructure	14.3	21.9	29.4	36.5	14.4
Total	20.7	21.9	30.9	37.7	15.1

Source: Ministry of Finance & Ministry of Public Enterprises

5.47 In recent years, SOEs in the transport and infrastructure sector have paid out comparatively higher dividends than other sectors given their large asset base and consistently strong financial performance. Government experienced a significant decline in dividends in 2020 and 2021 because of the pandemic especially in the transport & infrastructure sector. In 2024, Government received dividends from FAL (\$6.0 million), FPCL (\$6.3 million), ATS (\$2.0 million) and FPTCL (\$0.7 million), lower than 2023 as entities retained profits for capital expansion and upgrades.

CHAPTER 6: FISCAL RISKS

- 6.1 Fiscal risks have been defined as the likelihood of unexpected events or occurrences to adversely impact Government's fiscal situation, revenue, spending, debt, or contingent liabilities. In Fiji, the risks are brought about by a series of domestic drivers including natural disasters, performance of SOEs, revenue volatility and external pressures due to global economic fluctuations and commodity price shocks.
- 6.2 Understanding and managing fiscal risks has become increasingly important in a world characterised by greater economic interconnectedness, climate change, and rising public expectations. Fiscal risks can undermine Government's ability to deliver public services and meet its obligations. This chapter therefore examines the fiscal risks confronting Government, highlighting the key threats that may undermine its fiscal stability and long-term sustainable development.

Fiscal Risk Assessment Tool

- 6.3 Government has conducted an identification and quantification of the fiscal risks by employing the IMF Fiscal Risk Assessment Tool (FRAT). Conducting a comprehensive fiscal risk analysis is imperative to evaluate Fiji's resilience to future economic shocks, particularly with the significant fiscal deficits accumulated during the pandemic and the associated increase in public debt.
- 6.4 The FRAT uses a systematic scoring method to determine the risk probability and probable fiscal impact of different risk factors. Additionally, the chapter extends the horizon of fiscal risk assessment to cover PPPs as well as risks in the financial sector and improve the capacity of Government for monitoring and management of future fiscal risks. As depicted in **Figure 2.2**, Fiji's main fiscal risks stem from macroeconomic risks, Government assets & liabilities, PPPs, environmental risks and public corporations.

Figure 2.2: Fiscal Risk Matrix Based on FRAT Analysis

Potential Fiscal Impact % of GDP	High (>1%)		Macroeconomic Risks, Government Assets and Liabilities, PPPs, 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 Realisation		

Source: Ministry of Finance

- 6.5 According to the outcome of the Fiscal Risk Matrix, macroeconomic risks, Government assets and liabilities, PPPs and environmental risks are classified as possible in terms of their likelihood of occurrence, with the potential to generate high fiscal impacts. Conversely, public corporations are assessed as probable, although their expected fiscal impacts are of medium magnitude.
- 6.6 By identifying and assessing these risks early, Government can take proactive measures, such as adjusting policies, reallocating resources, or creating contingency plans to mitigate potential impacts. This enhances the credibility of the budget, preserves macroeconomic stability, supports compliance with fiscal rules or legal frameworks, and ensures that Government remains resilient in the face of economic shocks.

Macroeconomic Risks

- 6.7 Fiji's economic outlook and the momentum of its ongoing recovery are likely to be affected by several macroeconomic risks. A major concern is the uncertainty in global trade policies, where rising geopolitical tensions and evolving trade regulations could dampen global growth. This poses risks to Fiji's tourism and export sectors through reduced external demand.
- 6.8 In addition, heightened volatility in global fuel and food prices may drive domestic inflation, eroding household purchasing power and increasing business costs. On the domestic front, persistent challenges in retaining skilled labour could constrain capacity in key sectors and limiting growth potential. Furthermore, Fiji's inherent vulnerability to natural disasters and climate-related events continues to threaten infrastructure, fiscal stability, and overall economic resilience.

Government Assets and Liabilities

- 6.9 Government manages a wide range of assets and liabilities that reflect Fiji's financial position and influence economic stability. While public liabilities such as debt and guarantees are closely monitored, Government assets including land, infrastructure, natural resources, and financial investments often receive less attention. A mismatch between assets and liabilities, or poor management of either, can expose Government to significant fiscal risks, undermine public service delivery, and constrain long-term growth.
- 6.10 One of the key challenges that Government has faced is the incomplete or outdated asset records and lack of capacity and technical expertise in asset management. Following the launch of the National Fixed Asset Register Project in 2012, a National Asset Management Framework was formulated and approved, which is still in its implementation phase.

- 6.11 The new Financial Management Information System (FMIS) that was adopted by Government in August 2024 includes an asset capture module that enables Ministries to recognise assets upon acquisition. The outdated asset records or missing asset registers in Ministries imposes a huge fiscal risk as this is attributed to increased unplanned expenditures, inefficient asset utilisation and maintenance, and inaccurate financial reporting when assets are misstated or omitted.
- 6.12 The above challenges have been identified by the Ministry through the recent 2024 Public Expenditure and Financial Accountability (PEFA) assessment. To address this, the Ministry with the assistance of IMF/PFTAC will ensure that this is one of the priority reform actions in the next five years contributing to an improved Public Financial Management (PFM) and minimal exposure to fiscal risks.

Public Private Partnerships (PPPs)

- 6.13 PPPs can mobilise private investment, technical expertise and operational efficiencies to support public infrastructure and service delivery, however, they also entail fiscal risks depending on the project features and contractual obligations. These risks may include direct liabilities, contingent liabilities and potential budget pressures over time.
- 6.14 In 2019, Government entered its first PPP to upgrade and maintain the Lautoka and Ba hospitals, aimed at improving healthcare services. The project experienced implementation challenges due to a range of factors, including the impact of the COVID-19 pandemic. Since April 2022, both hospitals have been handed over to HCF, with all services provided free of charge. For FY2025-2026, Government has allocated \$117.2 million, an increase from \$90.0 million in FY2024-2025. Government is currently in the process of renegotiating certain provisions of the Concession Agreement, in consultation with relevant stakeholders. These negotiations potentially have fiscal implications, which are being carefully reviewed with technical support from the IFC.
- 6.15 Fiji is working with the Government of India for the proposed construction of a 100-bed Super Specialty Cardiology Hospital. The facility will provide advanced tertiary care to Fiji and other PICs. The project is still at an early stage and any future fiscal commitments would need to be assessed by the Government.

Environmental Risks

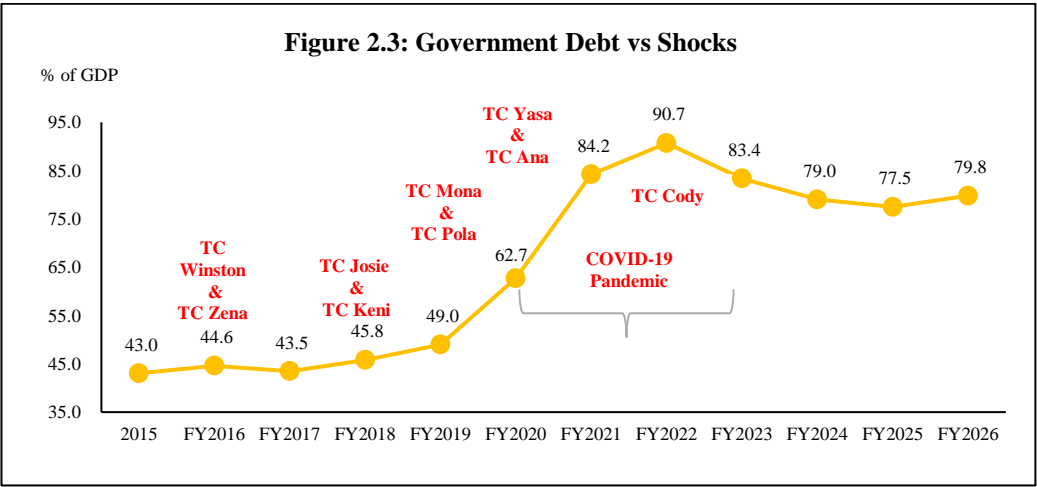
- 6.19 Fiji is exposed to climate change and climate induced disasters such as tropical cyclones, excessive rainfall, floods and droughts. The frequency and intensity of these events have increased over the last two decades. These hazards often result in extensive damage to public infrastructure, disruption to economic activity, and increased demands on Government resources for relief, recovery, and reconstruction. Disruptions in tourism and other key sectors of Fiji's economy often

led to significant revenue shortfalls, placing additional pressure on Government finances. Additionally, Government often guarantees loans or provides support to SOEs and affected services providers, further increasing the fiscal burden.

6.20 Government has secured disaster risk financing from JICA, amounting to JPY5 billion (\$75.0 million) under its Stand-by Facility for Disaster Recovery and Rehabilitation. It has also secured US\$40.0 million from the World Bank IDA through the Recovery and Resilience Development Policy Operations, which enables Government to access these funding more efficiently in the event of a declared natural disaster.

Government Debt Risk

6.21 Government debt tends to rise significantly in response to major shocks (**Figure 2.3**). The debt-to-GDP ratio has increased following natural disasters over the years, as Government often bears the cost of rehabilitation and reconstruction. Similarly, during the COVID-19 pandemic, Government resorted to substantial borrowings to fund essential expenditures as revenues declined by almost 50 percent. As a result, the debt to GDP ratio rose from 49.0 percent in FY2018-2019 to 90.7 percent by the end of FY2021-2022. The debt to GDP ratio has been on a downward trajectory thereafter since Fiji’s economy has recovered from the impact of natural disasters and pandemic.



Source: Ministry of Finance

6.22 The implementation of Government’s fiscal consolidation strategy through the combination of revenue reforms and rationalisation of expenditures has led to a notable reduction in the deficit to GDP ratio. Consequently, Government debt to GDP ratio has been on a downward trajectory recording at 79.0 percent of GDP at the end of July 2024 down from 90.7 percent recorded in July 2022 and is expected to be around 77.5 percent of GDP at the end of July 2025.

- 6.23 As per the IMF Article IV report released in June 2025, Fiji's debt is assessed to be sustainable with moderate risks. Even though the debt ratio has fallen below 80 percent of GDP, the fiscal space is limited compared to pre-pandemic levels. In this regard, any fiscal support by Government to respond to future shocks will also be limited and therefore may not be impactful which can lead to economic scarring.
- 6.24 In terms of currency composition of the external debt portfolio, debt in US currency continues its dominance at 82.8 percent, while others are JPY (10.2 percent) and CNY (6.9 percent) currency. Unfavourable fluctuation in exchange rates during the year would have an negative impact on Government debt portfolio as the interest rate will increase and likely deviate from its budgeted allocations.

Contingent Liabilities

- 6.25 Government contingent liabilities are categorised as:
- (i) explicit guarantees – where Government will assume the liability to pay the debt if the borrower defaults; and
 - (ii) implicit guarantees – where Government has no contractual obligations but if the impact would affect national or public interest, Government would have the moral obligation to provide support to the entity.
- 6.26 At the end of April 2025, total contingent liabilities was recorded at \$1.6 billion, of which \$963.1 million was explicit liabilities and \$655.9 million was other contingent liabilities. Some entities guaranteed by Government are assessed as high-risk entities, which poses risk to Government should risks materialise in the medium-term.
- 6.27 Furthermore, Government had guaranteed financing support to SMEs and MSMEs through the financial institutions for COVID-19 recovery efforts and to revive their businesses. The grace periods for these financing is ending with principal repayments to start soon. A total of 6,097 loans valued at \$31.4 million were guaranteed under this programme.

State Owned Entities

- 6.28 Government has few low-performing SOEs that are generating insufficient or no returns on public investment, thereby posing a medium to high fiscal risk to public finance. Consequently, Government is compelled to provide ongoing subsidies, equity injections, and working capital support to these high-risk SOEs to cover operational losses and meet capital requirements. Recently, Government has written-off around \$200.2 million owed by FSC.
- 6.29 In response to these challenges, Government is strengthening its oversight of public investments, particularly focusing on SOEs outside the Public Enterprises

portfolio. Key activities undertaken in recent financial years include the application of fiscal risk tools such as the FRAT, Stress Tests, and Health Checks for risk evaluation, a comprehensive review of the fiscal risk assessment framework, and enhanced collaboration with the Ministry of Public Enterprises to minimise fiscal risk exposure.

CHAPTER 7: EXTERNAL TRADE, DEVELOPMENT COOPERATION, INVESTMENT FACILITATION

External Trade

- 7.1 International trade serves as a driver of sustainable economic growth, job creation, international competitiveness and the positioning of Fiji as a hub in the Pacific region. Fiji remains committed to pursuing policies that promote the expansion of markets across bilateral, regional and multilateral levels as well as to the diversification of Fiji's exports of goods & services and export markets. Government's strategic engagement in global trade agreements and efforts to strengthen trade facilitation are central to achieving these goals.
- 7.2 To deepen trade and economic cooperation with key trading partners, Fiji is a party to several trade agreements. These include the World Trade Organisation (WTO) Agreements, the EU-Pacific Interim Economic Partnership Agreement (IEPA), the Melanesian Spearhead Group Trade Agreement (MSGTA), the Pacific Island Countries Trade Agreement (PICTA), and the United Kingdom-Pacific Interim Economic Partnership Agreement. Fiji also benefits from preferential trade arrangements such as the Generalised System of Preferences (GSP) and the South Pacific Regional Trade and Economic Co-operation Agreement (SPARTECA).
- 7.3 Furthermore, Fiji is a member of the Indo-Pacific Economic Framework for Prosperity (IPEF) and has signed and ratified Pillars II, III, and IV of the Framework, which focus on supply chain resilience, and clean and fair economy. This participation reflects Fiji's commitment to sustainable development, deeper regional economic integration, and the promotion of transparent, resilient and inclusive trade practices.

Fiji Trade Policy Framework 2026-2036

- 7.4 Following Fiji's fourth successful Trade Policy Review (TPR) at the WTO in July 2023, Government has continued to implement reforms aimed at fostering investment, enhancing trade and driving sustainable economic growth. The outcomes of the TPR will guide the refinement and advancement of Fiji's Trade Policy Framework (TPF) 2026-2036.
- 7.5 The formulation of a new TPF comes at a pivotal moment, shaped by evolving global trade dynamics, rapid technological advancements, shifting geopolitical landscapes, and the enduring impacts of climate change. Amidst these challenges, Government aims to create an enabling environment for private sector investment and innovation. By leveraging its strategic location and trade potential, the TPF will serve as a roadmap to strengthen Fiji's trade performance and resilience in the face of these global challenges.

- 7.6 In this context, Government remains committed to the development of the TPF 2026-2036. The new TPF will articulate a clear vision, outline key trade policy principles and define priority actions for the next decade, along with the necessary inputs and expected outcomes to guide effective policy implementation.
- 7.7 The TPF 2026-2036, will be closely aligned with Fiji's national development priorities, including the NDP 2025-2029 and Vision 2050, and the United Nations Sustainable Development Goals (SDGs). It will also reflect Fiji's obligations under the international trade agreements, regional cooperation initiatives and climate change commitments.
- 7.8 To ensure the framework is inclusive and representative, Government is adopting a participatory approach, engaging stakeholders from Government, the private sector, civil society, academia and international development partners. This inclusive process aims to produce a comprehensive and forward-looking policy that supports a resilient, vibrant and inclusive trade environment that promotes sustainable economic growth and enhances the livelihoods of the people of Fiji.

Trade Priorities for 2025-2026

- 7.9 **Enhancing Export Diversification:** Government is committed to diversifying Fiji's export base to reduce reliance on a limited number of sectors. Emphasis will be placed on promoting non-traditional sectors, including services, manufacturing, and value-added industries. Targeted support will be provided to micro, small, and medium enterprises (MSMEs) through trade promotion initiatives, capacity-building programs and improved market access facilitation.
- 7.10 **Empowering E-commerce:** Following the launch of the National E-Commerce Strategy (NECS) in February 2025, Government will continue with the implementation of the NECS in FY2025-2026. The NECS aims to position Fiji as a dynamic player in the global digital economy by unlocking the growth potential of e-commerce for local businesses. This includes supporting the development of digital infrastructure, building the capacity of MSMEs to engage in online commerce, and streamlining regulations to foster an enabling environment for digital trade. Through these efforts, Government aims to stimulate innovation, broaden market access, and boost the global competitiveness of Fijian enterprises.
- 7.11 **Trade Facilitation Reforms:** Building on the WTO Trade Facilitation Agreement (TFA), Government has taken significant steps to streamline trade procedures and reduce administrative burdens for businesses. In line with Article 1 of the TFA, which mandates WTO members to make trade-related information publicly accessible, the launch of the Fiji Trade Information Portal (TIP) in July 2025 will mark a foundational development. TIP offers comprehensive and easily accessible information on import, export, and transit procedures, including relevant forms, documentation requirements, and points of contact. Looking ahead, Government

will prioritise the development of a National Single Window system and invest in modern trade infrastructure and adopt efficient digital trade tools to enhance the ease of doing trade.

- 7.12 **Market Access for Fijian Products:** Expanding market access for Fijian exports remains a strategic priority for Government. On-going discussions aimed at securing favourable market access conditions for Fijian-made products, particularly in sectors where Fiji holds a comparative advantage will support greater integration into global value chain and improved export performance.
- 7.13 **Kava Market Access:** Government is actively pursuing market access for Kava in the EU, following the reenactment of the EU ban in 2019. Efforts include scientific collaboration with regional and international stakeholders to address the safety and efficacy of Kava as a beverage suitable for human consumption. This work is essential for unlocking export opportunities in the EU and strengthening the position of Kava as a key Fijian export.
- 7.14 **Geographical Indications (GIs):** To protect and promote Fiji's unique traditional products, Government is working in partnership with the World Intellectual Property Organisation (WIPO) to secure global protection for traditional products such as Kava, virgin coconut oil, Masi, and traditional handicrafts. Efforts are focussed on utilising the Lisbon System and the Geneva Act of the Lisbon Agreement, which provide a framework for the international registration and protection of GIs. This initiative aims to preserve cultural heritage while creating economic opportunities for local producers.
- 7.15 **Participating in Innovative Trade and Economic Cooperation Agreements:** Government is proactively addressing global trade challenges by engaging in innovative trade and economic agreements. Through the Pacific Islands Forum Secretariat (PIFS), Fiji is currently participating in discussions with the United Arab Emirates (UAE) for a potential Regional Comprehensive Economic Partnership Agreement (CEPA). Additionally, Government is exploring the possibility of initiating discussions on PACER Plus. These initiatives are part of a broader strategy aimed at strengthening existing trade partnerships and establishing new ones to secure long-term, sustainable access to both traditional and emerging markets.
- 7.16 **Concluding the Negotiations on the WTO Fisheries Subsidies Agreement (Fish 2):** In preparation for Fiji's participation in the 14th WTO Ministerial Conference (MC14) in 2026, Government remains firmly committed to advancing negotiations on the WTO Fisheries Subsidies Agreement, specifically the second phase known as Fish 2. Fiji continues to advocate for the prohibition of subsidies that contribute to Overcapacity and Overfishing (OCOF), while also ensuring appropriate and effective Special and Differential Treatment (SDT) for developing countries. Building on the progress made at MC13 in 2024, where PICs jointly advanced

stronger disciplines for Distant Water Fishing Nations (DWFNs), Fiji will maintain its leadership role in negotiations to secure a fair and enforceable agreement.

- 7.17 **Ease of Doing Business Project:** As part of Government’s digital transformation agenda, the Ministry of Trade is leading the development of an integrated digital platform aimed at streamlining key regulatory processes such as *'Starting a Business'* and *'Obtaining Construction Permits'* processes. This platform involves around 16 Government agencies and provides 25 e-services, a significant step towards enhancing service delivery and reducing administrative burdens.
- 7.18 The first phase of *'Starting a Business'* e-services was launched in September 2024. Since then, extensive policy and technical activities has been underway to support full adoption and ensure seamless implementation. This initiative is expected to improve Government responsiveness, enhance efficiency, and reduce bureaucratic delays. Further improvements are anticipated with the launch of the *'Building Permits Approval Subsystem (BPAS) in 2025.'* The BPAS is currently in the user testing phase and is expected to go live in September 2025.

Development Cooperation

- 7.19 Government anticipates a sum of \$124.4 million in cash grants and \$181.3 million in Aid in Kind (AIK) from development partners in FY2025-2026 to support various capacity building programmes, infrastructure development, health, climate and community resilience, renewable energy, waste management and for general budget support (**Table 18**).

Table 18: Official Development Assistance 2023-2024 to 2025-2026 (\$Million)

Particulars	2023-2024 (a)		2024-2025 Revised (e)		2025-2026 (f)	
	\$	%	\$	%	\$	%
Cash Grants	195.0	88	130.4	48	124.4	41
Aid in Kind	27.0	12	144.0	52	181.3	59
Total ODA	222.0	100	274.4	100	305.7	100

Source: Ministry of Finance

- 7.20 The General Administration (GA) sector anticipates cash grants of \$15.7 million and AIK of \$35.1 million. Cash grants programmes include disaster risk management by New Zealand’s Ministry of Foreign Affairs and Trade, the implementation of the Climate Change Act 2021 by EU and Child Protection Programme by UNICEF. For AIK, Government anticipates capacity development and training programme, scholarships, Volunteer Programme, Project for Improving Cybersecurity Capabilities, Child Protection Programme that will be offered by JICA and the Government of Japan, and UNICEF. These programmes will be undertaken by the development partners in collaboration with the implementing line ministries and departments such as the National Disaster Management Office (NDMO), Ministry of Environment and Climate Change,

Ministry of Civil Service, Ministry of Foreign Affairs, Ministry of iTaukei Affairs, MoF, Republic of Fiji Military Forces, Ministry of Policing, Fiji Bureau of Statistics, FRCS and FCCC.

- 7.21 The Social Services (SS) sector is expected to receive cash grants amounting to \$12.8 million and AIK of \$19.0 million. Cash grants and AIK programmes for the SS sector relates to various social policy, child protection, education, housing and health programmes by the United Nations Agencies and the Government of New Zealand. AIK programmes also include the procurement of a medical container from Japan, the dispatch of Experts: Volunteers, Senior Advisors and Medical Doctors by KOICA, and various other projects by JICA for the prevention and control of non-communicable diseases and improvement of health services. These initiatives will be undertaken by the development partners in collaboration with Ministry of Health and Medical Services, Ministry of Education and Ministry of Women, Children and Social Protection.
- 7.22 The Economic Services (ES) sector is expected to receive around \$8.0 million in cash grants and \$13.1 million in AIK. Cash grants programmes relate to the Carbon Fund Emission Reduction Program by the World Bank with Ministry of Forestry and the construction of the Dobuilevu Regional Demonstration Farm Training Centre with the Ministry of Agriculture. For AIK projects, this includes the procurement of fish research vessel and ice making machine from Japan with the Ministry of Fisheries, preparatory survey for the Nadi flood alleviation project with Ministry of Waterways, disaster risk reduction of widespread volcanic hazards with Ministry of Lands and Mineral Resources, Promotion of Regional Initiative on Solid Waste Management Phase 3 with Ministry of Local Government and Technical Cooperation for Pacific Islands Coastal Blue Economy Project by JICA in collaboration with the Ministry of Fisheries.
- 7.23 The Infrastructure Sector (IS) is expected to receive a total of \$13.0 million in cash grants and \$114.1 million AIK. Cash grant programmes for the IS sector relates to the drinking water treatment project by France, and water, sanitation and hygiene projects by UNICEF. AIK includes the procurement of oil spill equipment and Disaster Response Multi-Purpose Vessel from Japan and other JICA funded projects such as the reconstruction of Tamavua-i-wai bridge, Third Country Training - Sustained Activity of Fiji Meteorological Services for Developing Capacities for Meteorological Services in the South Pacific, Regional Advisor for Port Operation & Maintenance and Policy in PICs, Capacity Improvement of Non-Revenue Water Reduction in Nadi/Lautoka Region, and Construction of the Meteorological and Disaster Awareness Regional Center for the Pacific. These projects will be undertaken in collaboration with Ministry of Public Works, Meteorological Services and Transport.
- 7.24 Around \$4.7 million in general budget support will also be mobilised by development partners to support Government on various programmes and

initiatives in FY2025-2026 apart from the direct assistance that Government will receive from donors as stated above.

Investment Facilitation

- 7.25 The NDP 2025-2029 and Vision 2050 position investment facilitation as a cornerstone of economic growth. The NDP reflects Government's strong commitment to creating a more business-friendly environment through streamlined processes, and targeted promotion of quality investments that support both economic advancement and social progress.
- 7.26 To this end, Government has made significant progress in modernising the regulatory environment, reducing bureaucratic bottlenecks and strengthening institutional capacities. These efforts have led to a more transparent, efficient and investor-friendly business climate. These initiatives are cultivating a more confident and connected investment ecosystem, one that encourages long-term partnerships, nurtures innovation as well as signals to the global market that Fiji is open for business and poised for sustainable growth.

Trends in Investment and Trade

- 7.27 According to the United Nations Conference on Trade and Development (UNCTAD) Investment Trends Monitor, a modest expansion in global foreign direct investment is expected in 2025 driven by improved financing conditions and increased merger and acquisition activities. However, geopolitical tensions, economic uncertainty, high debt burdens, and volatility in greenfield investments and weaker global growth outlook pose key challenges to FDIs globally.

Investment Outlook

- 7.28 Government is committed to developing a robust, private sector-led economy driven by both domestic and foreign direct investments. Aligned with the global investment trends which is shifting toward sustainability and digitalisation, Fiji is targeting growth in renewable energy, ICT, agribusiness and sustainable tourism. These sectors offer high impact opportunities for innovation, job creation and export diversification. Investment facilitation is a central policy pillar, championed by the Investment Facilitation Committee (IFC), which addresses regulatory challenges and improves the ease of doing business.
- 7.29 The IFC plays a crucial role as a centralised platform, streamlining communication across Government agencies engaged in investment-related functions. This integrated approach strengthens investor confidence and accelerates project implementation.

- 7.30 Investment Fiji has recorded a growing pipeline of projects scheduled to commence operation between 2025 and 2030. These projects span a wide range of sectors including tourism, aviation, transportation, infrastructure, agriculture and retail. These projects underscore the expanding diversity of investment interests featuring developments ranging from high-end resorts and residential estates to commercial properties and critical infrastructure initiatives, which is vital for sustained long-term economic expansion.
- 7.31 Investment Fiji is currently supporting 194 major projects, with a combined potential value of \$5.5 billion. Of these, 84 projects, valued at \$1.5 billion, are already under construction and are anticipated to begin trading within the next three years. An additional 57 projects valued around \$1.9 billion are currently going through the approvals process and will break ground soon. Recent investment announcements for 2025 feature Staghorn Pte Limited Google's undersea cable project in Natadola and Damodar Groups newly launched Ramada Encore hotel in Labasa.
- 7.32 The Business Now platform is a significant step towards improving the ease of doing business in Fiji. By offering a centralised and digital approach to essential Government services, it aims to create a more efficient and transparent process for business entrepreneurs and investors.

Investment Promotion

- 7.33 Investment Fiji continues to strengthen its international engagement through a diversified and strategic outreach program. This outreach included active participation in events held in key markets such as Australia, New Zealand, Papua New Guinea (PNG), US, China, and Japan. At the same time, Investment Fiji targeted emerging markets like the UAE, Singapore, India, Canada, Portugal, Angola, Antigua and Barbuda, demonstrating a broad and inclusive approach to global investment promotion.
- 7.34 Furthermore, Investment Fiji's marketing initiatives facilitated the organisation's steady expansion of its lead pipeline, with notable interest observed across the tourism, services, agriculture and real estate sectors. Most of these leads originated from countries including New Zealand, Australia, China, US, and Canada.
- 7.35 Investment Fiji has planned a series of international events and business missions designed to showcase Fiji's investment potential, build international collaborations, and attract foreign investments. Recent missions to PNG, Australia, and Tonga have been instrumental in broadening Fiji's regional influence and deepening connections with its diaspora through business forums, networking sessions, and meetings between Government representatives.

- 7.36 One of Investment Fiji's strategic priorities is engaging with the Fijian diaspora and encouraging investment back into the country. To capitalise on this interest, Investment Fiji organised several investor-related events in countries such as Australia, New Zealand, US, Canada, PNG and Tonga.
- 7.37 Engaging the diaspora can potentially increase FDI leading to increased capital inflows, job creation and transfer of skills and knowledge that foster innovation and entrepreneurship. Additionally, this strategy seeks to leverage remittances and stimulate domestic consumption thereby supporting broader economic development.

Diversification of the Fijian Economy

- 7.38 Since 2022, Investment Fiji has undergone significant transformations to strengthen its core mandates and adapt to the evolving global investment landscape. These efforts culminated in a major achievement, the agency was awarded the AIM Investment Award 2025 in Abu Dhabi being recognised as the Best FDI agency for South, East Asia & Oceania.
- 7.39 Recognising the critical role of investment in shaping Fiji's economic future, Investment Fiji's Strategic Plan 2025-2027 focuses on attracting both foreign and domestic investment. The plan emphasises sustainability, innovation, and the integration of new technologies as core pillars of development.
- 7.40 One key initiative is the Commercial Agriculture Taskforce approved by the Cabinet, which is advancing Fiji's agricultural potential. The taskforce identifies viable investment opportunities, facilitates investor engagement, and supports the development of high-value and export-oriented agricultural ventures. This initiative provides investors with support, market information and resources. The taskforce has received several proposals and facilitated successful missions for companies looking to expand their agricultural operations in Fiji.
- 7.41 Investment Fiji is spearheading the development of a medical cannabis industry in Fiji aimed at boosting economic growth and creating employment. Following Government's approval in December 2024, a legal framework for cultivation and export is being developed, aligning with global legalisation trends. Investment Fiji is now focused on attracting foreign investment by providing guidance on regulations and market opportunities.
- 7.42 The formation of the International Education Tourism Taskforce marks a strategic push to develop Fiji as a hub for educational tourism. By leveraging the country's diverse tertiary offerings, English speaking environment and unique cultural experience, the initiative aims to attract international students and researchers. These efforts will support the growth of the tourism sector, contribute to the local

economy and strengthen Fiji's reputation as a regional hub for education and research.

Strategic Partnership and Regional Presence

- 7.43 In FY2024-2025, Investment Fiji strategically leveraged partnerships with international organisations, Fijian diplomatic missions abroad, and local stakeholders to strengthen its investment promotion and facilitation activities. A significant aspect of its strategy involved a strong regional presence, focusing on engaging with key Pacific markets and the Fijian diaspora to attract investment and strengthen economic ties within the region.
- 7.44 In line with Investment Fiji's on-going efforts to strengthen partnerships globally, a Memorandum of Cooperation (MoC) with the Japanese External Trade Organisation (JETRO) was signed during the 10th Pacific Island Leaders Meeting (PALM) in Tokyo. This MoC is a key step in enhancing the bilateral economic relationship between Fiji and Japan and paves the way for greater trade and investment collaboration between the two nations.

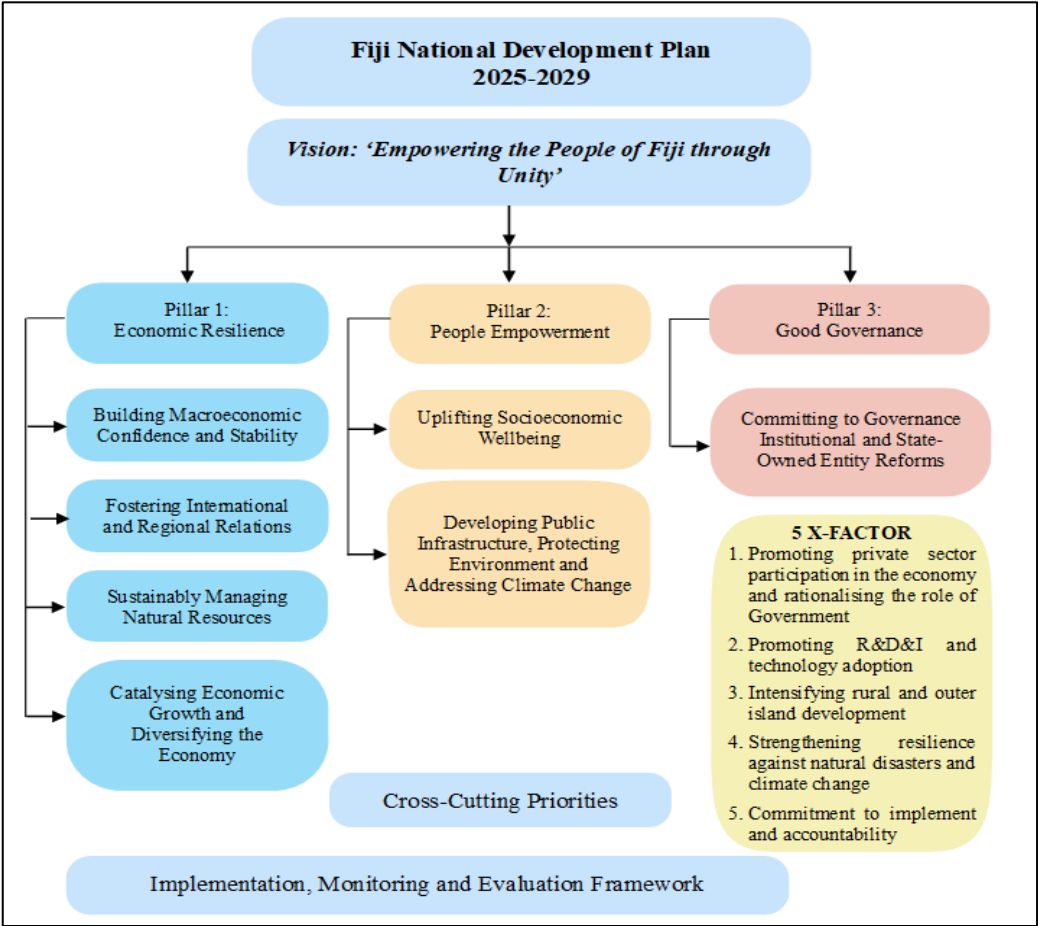
Contribution to Sustainable Development Goals (SDGs)

- 7.45 Investment Fiji remains committed to advancing the United Nations SDGs through policies and partnerships that promote inclusive and sustainable economic development. The agency's strategic efforts support several key SDG's including:
- SDG 5: Gender Equality;
 - SDG 9: Industry, Innovation and Infrastructure; and
 - SDG 17: Partnerships for the Goals.
- 7.46 Investment Fiji facilitates projects across renewable energy, climate resilience, healthcare, education, and telecommunications, demonstrating a strong commitment to building a sustainable, inclusive, and future-ready economy. These efforts ensure that Fiji's national development agenda is both globally aligned and locally empowering, contributing to long-term resilience and shared prosperity.

CHAPTER 8: NATIONAL DEVELOPMENT PLAN 2025-2029 & VISION 2050

- 8.1 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 centre 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.
- 8.2 The NDP has specific outcomes, sets clear achievement targets for the 3 and 5 years and focused on critical issues that require immediate attention or rather “*getting the basics right*”. Addressing these issues will provide impactful quick wins to catalyse economic growth which includes regulatory reforms, rationalising processes, eliminating bureaucracy, increasing efficiency and removing impediments to private investment whilst taking measures to mitigate structural challenges that were exposed by the COVID-19 pandemic, on-going impacts of climate change and external shocks.

Figure 2.4: National Development Plan 2025–2029 & Vision 2050 Framework



Source: Ministry of Finance

- 8.3 The NDP is supported by three integrated pillars, namely economic resilience, people empowerment and good governance, encompasses seven focus areas and five X factors which are transformational, impactful and resets Fiji's development trajectory.
- 8.4 Pillar 1 focuses on strengthening macroeconomic fundamentals by restoring fiscal discipline, maintaining low and stable inflation and gradually reducing public debt as a percent of GDP to ensure long-term economic sustainability. Key initiatives include aligning expenditure with revenue targets, broadening the tax base, improving public financial management, and enhancing monetary policy coordination.
- 8.5 The global economy remains overshadowed by increasing uncertainty, especially in relation to international trade. The implementation of Fiji's Foreign Policy White Paper 2024 is essential to strengthen sovereignty, security and prosperity, manage the delivery of foreign policy goals and enhance bilateral and multilateral trade and investment, whilst taking advantage of its strategic position as hub of the South Pacific.
- 8.6 Fiji's natural resource sectors such as agriculture, fisheries, forestry, land and mineral resources hold immense potential for economic diversification and rural development. The NDP prioritises sustainable management of these sectors by commercialising agriculture and promotion of agro-processing, expanding sustainable fisheries and aquaculture, restoring degraded forests, land management and governance and responsibly exploring mineral resources.
- 8.7 To mitigate external shocks and enhance job creation, the NDP promotes the development of a diversified and competitive economy. This includes revitalising the tourism sector with a focus on niche markets and ecotourism, greater private sector participation, improving MSMEs access to finance, and creating new opportunities in emerging sectors such as the outsourcing, creative industries, and audio-visual industry. Ease of doing business reforms, PPPs and targeted support to manufacturing industries, financial and digital services will play a pivotal role in establishing Fiji as an e-commerce and innovation hub.
- 8.8 Pillar 2 focuses on prioritising the needs and uplifting the social wellbeing of the people. This includes poverty reduction, quality education, accessible healthcare, gender equality, affordable housing, and protection of vulnerable groups including children, elderly, and persons with disabilities.
- 8.9 Special focus is placed on women's empowerment to participate actively in the formal and informal employment, increase their leadership positions in Government, address violence against women and strengthen regulatory frameworks for gender balance. The NDP aims to protect children through the review of legislations governing their interest, enhance access to quality education

and welfare, promote the inclusion of persons with disabilities in decision-making processes, and provide accessible, inclusive public facilities and infrastructure.

- 8.10 Urban and rural development plays a vital role in enhancing the social well-being of the population. With approximately 58 percent of people now residing in urban areas, a figure that continues to grow due to rural-to-urban migration, there is increasing pressure on urban infrastructure and services. The NDP supports the expansion and upgrading of critical infrastructure in sectors such as transport, energy, water and sanitation, and digital connectivity. The focus is on ensuring equitable access to essential services through improved roads, jetties, ports, wharves, rural airstrips, and airport runways. Additionally, the NDP prioritises the provision of basic infrastructure including bridges, seawalls, electricity, water supply, drainage systems, and communication networks particularly in underserved rural and maritime communities.
- 8.11 Great emphasis is placed on increasing access to clean drinking water and sanitation. While 82 percent of Fiji's population has access to safe drinking water, the water sector still faces challenges due to aging infrastructure, high levels of non-revenue water (leakage), and limited access to wastewater services. The health sector is in dire need of transformational investments and interventions to modernise Fiji's healthcare system to reduce disease incidence and enhance service quality. The education system aims to nurture innovative, lifelong learners and enrich lives through quality education delivery through legislative reforms and new initiatives to address shortage of teachers, school dropouts, infrastructure and social issues affecting students. The NDP prioritises the needs of all people and aims to improve healthcare system, access to quality education and resilient infrastructure, central to building a more connected and inclusive Fiji.
- 8.12 With Fiji at the frontline of climate change, environmental protection and climate action are foundational to global and national resilience. The Plan emphasises sustainable land and ocean management, biodiversity conservation, and ecosystem restoration. Fiji's commitment to its Nationally Determined Contributions (NDC) is reflected in actions to reduce greenhouse gas emissions and build climate-resilient communities and infrastructure. The NDP also prioritises investments in disaster risk reduction, early warning systems, and community-based adaptation to enhance preparedness and minimise climate-related vulnerabilities.
- 8.13 Pillar 3 anchors on the necessity for good governance. The NDP emphasises the need for strengthening governance and undertaking institutional and SOEs reforms to support and ensure holistic, effective and efficient implementation. Civil service reforms will include improvement in service delivery, skill and capacity building, performance and strengthening transparency and accountability. Among the strategies that will be pursued to strengthen the rule of law are reviewing the regulatory framework, maintaining sovereignty and territorial integrity, improving the efficiency and transparency of the judicial system, improving the capacity of

the policing system and upholding human rights. Initiatives will be put in place to strengthen the Parliamentary process to promote sustainable democracy, its legislative capability and accountability. With respect to SOEs, the focus of reforms will be to enhance their performance, rationalise to allow greater private sector investment, and improve their overall governance, transparency and accountability.

- 8.14 The successful implementation of the NDP hinges not only on sector-specific policies and strategies but also on the integration of cross-cutting priorities that guide policymaking across the development priorities. These cross-cutting priorities ensure a whole of Government approach to development, reinforcing the interconnectedness of the NDP's goals. They provide the foundation to implement the NDP efficiently and effectively through an Implementation, Monitoring and Evaluation (IME) framework.
- 8.15 Fiji's Vision 2050 portrays the long-term aspiration of the people and how they see Fiji as a nation in 25 years. Vision 2050 is built on Fiji's inherent strengths and the potential to break boundaries and reach new growth frontiers. The Vision defines the way forward and sets in motion the journey to transform Fiji into a prosperous, inclusive and sustainable nation. In 2050, Fiji aspires to be a high income and advanced economy, a regional leader in technology and innovation in areas where it has competitive advantage, have modern and efficient infrastructure, is environmentally astute, a society with high moral and ethical values, rich culture and heritage as well as entrenched in high standard of governance and excels in sports.
- 8.16 The fruition of this Vision will totally depend on the single-mindedness and commitment of all Fijians to work on the building blocks towards attaining the Vision. Fijians must dare to unlearn and relearn, pioneer into new areas, embrace new work processes, innovation and technology, commit to governance and institutional reforms, and have zero tolerance for corruption to make this journey a success.

Implementation of the NDP

- 8.17 The NDP 2025-2029 and Vision 2050 was approved by Cabinet on 30 July 2024 and the implementation came into effect from 1 January 2025.
- 8.18 Government has made a strong commitment towards the implementation of the NDP. All Ministries, Statutory Bodies, Independent Bodies and Independent Commissions are required to align their respective Strategic Plans and Corporate Plans with the NDP. **Chapter 9** of NDP is anchored on a results-oriented, transparent and accountable IME framework which translates the policies and strategies into programmes and projects for implementation by the respective Ministries and agencies.

- 8.19 The IME mechanism includes Implementation Books (IBs), regular Monitoring and Evaluation strategy for each booklet, data collection and public reporting of KPIs progress through an online dashboard. It is intended to ensure that all policies, strategies, programmes and projects under the Plan are implemented effectively to achieve the KPIs and development outcomes.
- 8.20 Ministries, Statutory Bodies, Independent Bodies and Independent Commissions have developed their respective NDP IBs to identify the programmes, activities and project proposals for the 2025-2026 National Budget. Building from the NDP, the National Budget will lay the groundwork to ensure sufficient financial resources are channelled to achieve the 3-year and 5-year KPIs and outcomes of the NDP, fostering economic resilience and sustainable development.
- 8.21 **Table 19** below shows a summary of the IBs.

Table 19: NDP Implementation Books

	Number of IBs
Ministries	26
Statutory Bodies and Others	12
Independent Bodies	5
Independent Commissions	6
Total	49

Source: Ministry of Finance

- 8.22 The Ministry of Finance, Strategic Planning, National Development and Statistics in collaboration with Ministries and Agencies, have finalised 49 IBs and are in the process of designing the Monitoring and Evaluation strategy for each IB. The progress and reporting will be provided to Cabinet through the Cabinet Sub-Committee.
- 8.23 While the NDP sets out the development priorities and guides public sector resource allocation, the implementation is not the sole domain of Government. The successful execution of the NDP requires the commitment and participation of all key stakeholders and hinges on having a sustainable financing strategy that would help Fiji achieve its development objectives. It is evident that financing the development priorities are not only limited to public revenue, but other means of financing are explored.
- 8.24 In addition, the MoF in collaboration with technical assistance from the United Nations Department of Economics and Social Affairs will assist with the design, implementation, monitoring, and evaluation of an Integrated National Financing Framework (INFF) and help to mobilise additional resources to finance and align with the national development priorities through the financing strategy. Moreover, the INFF will help establish a whole of Government financing approach that aligns our National Budget and development plans with the SDGs.

CHAPTER 9: 2025-2026 TAX POLICY MEASURES

Part 1 – Direct Tax Measures

(i) Income Tax Act

Policy	Description										
1. Fringe Benefits Tax (FBT) – Value per Quarter for Electric Vehicles	<p>➤ The FBT value per quarter for electric vehicles will be reduced as summarised below:</p> <table border="1"> <thead> <tr> <th>Threshold (Cost)</th><th>New Rates</th></tr> </thead> <tbody> <tr> <td>Less than \$50,000</td><td>\$1,000</td></tr> <tr> <td>\$50,000 to < \$75,000</td><td>\$1,500</td></tr> <tr> <td>\$75,000 to < \$100,000</td><td>\$2,000</td></tr> <tr> <td>Above \$100,000</td><td>\$2,500 plus 2% of the excess of the cost above \$100,000</td></tr> </tbody> </table> <p>➤ This will be effective from 1 January 2026.</p>	Threshold (Cost)	New Rates	Less than \$50,000	\$1,000	\$50,000 to < \$75,000	\$1,500	\$75,000 to < \$100,000	\$2,000	Above \$100,000	\$2,500 plus 2% of the excess of the cost above \$100,000
Threshold (Cost)	New Rates										
Less than \$50,000	\$1,000										
\$50,000 to < \$75,000	\$1,500										
\$75,000 to < \$100,000	\$2,000										
Above \$100,000	\$2,500 plus 2% of the excess of the cost above \$100,000										
2. Dividend definition	<p>➤ The definition of ‘dividend’ will be amended to ensure that the Capital Gains Tax (CGT) is applied to any gain realised from share buyback or similar transactions.</p>										
3. CGT exemption – First Residential Property	<p>➤ The CGT exemption will be extended to include the disposal of a first residential property that is co-owned with non-family members.</p>										
4. E-wallets	<p>➤ Unexplained and unidentified deposits during the year in taxpayers e-wallets account will be included in the computation of gross income if it can be traced to the taxpayer.</p>										
5. Non-Resident Withholding Tax (NRWT) - Insurance Premiums	<p>➤ The NRWT on insurance premiums will be increased from 3% to 3.75% to reflect the increase in the corporate income tax rate that was announced in the 2023-2024 National Budget.</p>										
6. Donations towards Start-Ups	<p>➤ A 150% tax deduction will be available for donations made by a business towards Accredited Start-Up Support Programs such as accredited start-up incubators, accelerators, and entrepreneurship development programs.</p>										
7. Donations towards Public Health	<p>➤ A 100% tax deduction will be allowed for donations made by a business to health centers, nursing stations, aged care facilities, orphanages and drug rehabilitation centers.</p>										
8. Local Artists – Allowable Deduction	<p>➤ The tax deduction for employment of local artists will be expanded to include all businesses that hire artists on a full-time basis.</p> <p>➤ The allowable tax deduction rate will be reduced from 300% to 150%.</p>										

Policy	Description
9. 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.
10. Carbon Trading	➤ The income of businesses engaged in carbon trading will be exempted from income tax.
11. Tax Incentive for Tour Operators	<ul style="list-style-type: none"> ➤ 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.
12. Tax Free Region (TFR) Incentive	➤ The TFR will be extended to the Wainadoi region for businesses who invest in activities such as waste management, recycling and renewable energy.
13. Employment Taxation Scheme (ETS)	<ul style="list-style-type: none"> ➤ The 300% tax deduction available for wages or salaries paid for work placements, apprenticeship and part-time workers will be extended until 31 December 2026. ➤ The 400% tax deduction currently available for wages or salaries paid to persons with disabilities will be extended until 31 December 2026.
14. Sub-Division of Land Incentive	➤ The Sub-Division of Land Incentive will be extended until 31 July 2027.
15. Mutual Administrative Assistance in Tax Matters (MAAC)	➤ To establish the legal foundation for Fiji's participation in the Multilateral Convention on MAAC, legislative amendments will be made in the Income Tax Act.

(ii) Tax Administration Act (TAA)

Policy	Description
1. E-Wallets	<ul style="list-style-type: none"> ➤ Businesses will be required to maintain a separate e-wallet account for business transactions. A penalty provision of a fine not exceeding \$25,000 or to an imprisonment term not exceeding 10 years or to both is included for non-compliance. ➤ Providing a Tax Identification Number (TIN) will be a mandatory requirement when registering for a Mobile Wallet account. The deadline to incorporate the TIN requirement is 31 December 2025.
2. Annual Mandatory Asset Declaration for Sole Traders	<ul style="list-style-type: none"> ➤ A Mandatory Asset Declaration requirement will be introduced for sole proprietors to enhance financial transparency and support tax compliance. ➤ This will be effective from 1 January 2026 as part of the Tax Return for Tax Year 2025.

Policy	Description
3. VAT Monitoring System (VMS) Threshold	<ul style="list-style-type: none"> ➤ Businesses with a turnover of \$50,000 or more will be required to register for VMS. ➤ This will be effective from 1 January 2026.
4. Amendment of Tax Assessments	<ul style="list-style-type: none"> ➤ The \$1.25 million turnover threshold that limits amendment of tax assessments within 3 years, will be removed to align with the general audit rules.
5. Power to issue Penalties	<ul style="list-style-type: none"> ➤ The \$1.5 million turnover threshold that limits FRCS from instituting penalties will be removed.
6. Continuing Professional Development (CPD) hours	<ul style="list-style-type: none"> ➤ Tax agents applying for renewal of their registration must complete a minimum of 10 hours of Continuing Professional Development (CPD) as a pre-requisite for approval. ➤ This policy will be effective from 1 January 2026.
7. Mutual Administrative Assistance in Tax Matters (MAAC)	<ul style="list-style-type: none"> ➤ New provisions will be created to assist FRCS in obtaining the required information from taxpayers or third parties for the purpose of MAAC.

Part 2 – Indirect Tax Measures

(i) Value Added Tax (VAT) Act

Policy	Description
1. VAT Rate	<ul style="list-style-type: none"> ➤ The VAT rate will be reduced to 12.5% effective from 1 August 2025.
2. Definition of ‘produce’	<ul style="list-style-type: none"> ➤ The definition of ‘produce’ will be amended to exclude middleman selling produce supplies.
3. E-Wallets	<ul style="list-style-type: none"> ➤ E-wallet and associated services will be exempted from VAT.
4. VAT Refund Incentive	<ul style="list-style-type: none"> ➤ VAT refunds will be made available on capital investment for residential solar projects by individuals. Capital investment excludes the installation of solar heaters or a standalone solar lighting system. ➤ VAT refunds will be made available on capital investment for reconstruction of houses damaged by termite infestation.
5. VAT on Mechanical Harvesters	<ul style="list-style-type: none"> ➤ VAT will be zero rated for the supply of mechanical harvester services by Cooperatives.

(ii) Customs Act

Policy	Description
1. Passenger Name Record (PNR) data	<ul style="list-style-type: none"> ➤ To enhance border security and regulatory compliance, new provisions will be implemented to enable the collection of Passenger Name Record (PNR) data from aircraft and ship operators.

Policy	Description
2. Licensing of Bonded Warehouse	➤ To strengthen compliance, the bonded warehouse licensing provision will be amended to provide additional discretionary powers to the Comptroller.
3. Demerit Point System (DPS)	➤ To promote accountability, compliance and efficiency of licensed customs operators, Customs Demerit Point System will be introduced.
4. Customs Entry for goods not liable for Export Duty	➤ A new provision will be introduced whereby provisional customs entry will be required for goods not liable for export duty.
5. Modification of Goods Vehicle to Passenger Vehicles	➤ A new provision will be introduced to collect additional duties if the modification results in a change in tariff classification for both new and used goods vehicle.
6. Storage of Customs Entry related records	<ul style="list-style-type: none"> ➤ The storage period for ASYCUDA records will be amended from 5 years to 7 years. ➤ The storage period for customs entry related records for traders will be amended from 5 years to 7 years in line with the audit period.
7. Re-lodgement of rejected drawback claims	➤ A 30-day timeframe will be implemented for re-lodgement of declined duty drawback claims.
8. Customs Officers Powers	➤ The customs officer's powers will be aligned to international best practices during the detainment and search processes.
9. Automatic Identification System (AIS)	➤ To strengthen maritime compliance, maritime vessels will be required to keep the AIS activated when in Fiji waters.

(iii) Customs Regulations

Policy	Description															
1. Rent charge for goods deposited in Customs Warehouse	➤ Rent charge for goods deposited in the Customs Warehouse will be increased from \$2 per ton or cubic meter to \$5 per ton or cubic meter.															
2. License fee for bonded warehouse operators	➤ Implementing a standardised license fee of \$15,000, regardless of the warehouse size, for a three-year term.															
3. Regularise the Operations Fee Structure	<div>➤ The operational fee structure for freight stations and other customs areas approved by the comptroller will be legislated as below:</div> <table><tr><th>Operational Fee</th><th>Current (VEP)</th><th>New (VEP)</th></tr><tr><td>Consol Freight Station</td><td>\$13,500</td><td>\$14,500</td></tr><tr><td>Air Freight Station</td><td>\$9,500</td><td>\$10,500</td></tr><tr><td>Duty Free Shop - Nadi</td><td>\$9,500</td><td>\$10,500</td></tr><tr><td>Duty Free Shop - Nausori</td><td>\$1,350</td><td>\$2,350</td></tr></table>	Operational Fee	Current (VEP)	New (VEP)	Consol Freight Station	\$13,500	\$14,500	Air Freight Station	\$9,500	\$10,500	Duty Free Shop - Nadi	\$9,500	\$10,500	Duty Free Shop - Nausori	\$1,350	\$2,350
Operational Fee	Current (VEP)	New (VEP)														
Consol Freight Station	\$13,500	\$14,500														
Air Freight Station	\$9,500	\$10,500														
Duty Free Shop - Nadi	\$9,500	\$10,500														
Duty Free Shop - Nausori	\$1,350	\$2,350														

Policy	Description									
4. Sufferance Fee Structure	➤ The sufferance fee structure of \$9,000 for a three-year term period will be amended to \$3,000 per year.									
5. Outdoor Fee Structure for Aircrafts	➤ The outdoor fee structure for Aircrafts will be amended as below: <table><tr><th>Type of Fee</th><th>Current (VEP)</th><th>New (VEP)</th></tr><tr><td>Commercial Aircrafts</td><td>\$460</td><td>\$1,200</td></tr><tr><td>Private Aircrafts</td><td>\$1,650</td><td>\$2,500</td></tr></table>	Type of Fee	Current (VEP)	New (VEP)	Commercial Aircrafts	\$460	\$1,200	Private Aircrafts	\$1,650	\$2,500
Type of Fee	Current (VEP)	New (VEP)								
Commercial Aircrafts	\$460	\$1,200								
Private Aircrafts	\$1,650	\$2,500								
6. Late payment penalty for Overdue Overtime Fees	➤ A late payment penalty of \$15.00 per day will be applied to customs operators who delay the payment of overtime fees to FRCS.									

(iv) Excise Act

Policy	Description
1. Definition of Manufacturer	➤ The definition of ‘manufacturer’ will be strengthened by including the use of non - excisable goods in the process of manufacturing an excisable product.
2. Definition of Raw Materials	➤ A new definition of ‘raw materials’ will be introduced for administration purposes.
3. Production of Ready to Drink (RTD) alcoholic beverages	➤ The Excise Act will be amended to capture other raw materials used in the production of RTD alcoholic beverages in addition to apples and pears.
4. Post Entry Modification Fee	➤ A \$15.00 post modification fee will be introduced under the Excise Act. This will align the Excise Act with the Customs Act which stipulates similar provisions of post entry modification.
5. Demerit Point System (DPS)	➤ To promote accountability, compliance and efficiency of licensed excise operators, the Customs Demerit Point System will be introduced.

(v) Excise Regulations

Policy	Description									
1. Extra Attendance Fees	<p>➤ The extra attendance fees will be aligned to the Customs Regulation as below:</p> <table><tr><th>Type of Fee</th><th>Current (VIP)</th><th>New (VIP)</th></tr><tr><td>Overtime Attendance</td><td>\$25</td><td>\$50</td></tr><tr><td>Special Overtime Attendance</td><td>\$35</td><td>\$60</td></tr></table>	Type of Fee	Current (VIP)	New (VIP)	Overtime Attendance	\$25	\$50	Special Overtime Attendance	\$35	\$60
Type of Fee	Current (VIP)	New (VIP)								
Overtime Attendance	\$25	\$50								
Special Overtime Attendance	\$35	\$60								

(vi) Customs Tariff Act

Policy	Description
1. Duty on Chicken portions & Offals	<ul style="list-style-type: none"> ➤ The fiscal duty on the importation of chicken portions such as drumsticks, wings and thighs will be reduced from 32% to 15%. ➤ The fiscal duty on the importation of edible chicken offals such as liver and giblet will be reduced from 32% to 15%.
2. Duty on Frozen Fish	<ul style="list-style-type: none"> ➤ The fiscal duty on the importation of all frozen fish will be reduced from 15% to 0%.
3. Duty on Salmon	<ul style="list-style-type: none"> ➤ The fiscal duty on the importation of salmon whether live, fresh, chilled, salted or dried will be reduced from 15% to 0%.
4. Duty on Tomato Sauce	<ul style="list-style-type: none"> ➤ The fiscal duty on the importation of tomato sauce will be reduced from 32% to 15%. ➤ Additionally, a 5% import excise duty will be introduced.
5. Duty on Cruise Ships, Excursion Boats & Similar vessels	<ul style="list-style-type: none"> ➤ The fiscal duty on the importation of cruise ships, excursion boats and similar vessels will be reduced from 5% to 0%.
6. Duty on Golf Cars and similar utility vehicles	<ul style="list-style-type: none"> ➤ The fiscal duty on the importation of golf cars and similar utility vehicles will be reduced from 32% to 5%. ➤ The duty on the importation of electric golf cars will be reduced from 5% to 0%. ➤ The duty on the importation of solar powered utility vehicles will be reduced from 5% to 0%.
7. Duty on Juice not containing any added sugar	<ul style="list-style-type: none"> ➤ The import excise duty on the importation of juice not containing any added sugar will be reduced from 15% to 0%
8. Duty on Snacks obtained through swelling and roasting	<ul style="list-style-type: none"> ➤ The import excise duty on the importation of snacks obtained through swelling and roasting will be increased from 0% to 15%.
9. Duty on Castor Sugar	<ul style="list-style-type: none"> ➤ The fiscal duty on the importation of castor sugar will be reduced from 32% to 5%.
10. Duty on Gold/Silver Ores and Concentrates	<ul style="list-style-type: none"> ➤ The export of gold/silver ores and concentrates will now attract a 3% export duty.
11. Duty on Alcoholic Flavors and Concentrates	<ul style="list-style-type: none"> ➤ Importation of alcoholic flavors and concentrates of heading 3302 will now attract a tiered duty rate based on the strength of alcohol.
12. Concession Code 301 – Termidor Chemicals	<ul style="list-style-type: none"> ➤ To assist the government's termite infestation rehabilitation efforts, the import of termidor chemicals currently cleared under concession code 301 will be VAT zero-rated.
13. Concession code 218 - Passenger allowance	<ul style="list-style-type: none"> ➤ Concession code 218 will be extended to include AEO members.

Policy	Description
14. Concession code 212 – Personal Imports	<ul style="list-style-type: none"> ➤ Concession code 212 has been amended as follows: <ul style="list-style-type: none"> ○ Online Purchases of up to \$1,000 per consignment will be subject to free fiscal duty, free import excise, and 12.5% VAT. ○ Personal Import (gifts, donations, etc.) of up to \$500 will be subject to free fiscal duty, free import excise and free VAT. Consignments exceeding \$500 will be subject to the standard duty and VAT rates.
15. Concession code 124 (vii) – Disposable Gas Lighter Blanks	<ul style="list-style-type: none"> ➤ Concession code 124 which allows for duty free importation of disposable gas lighter blanks will no longer be available.
16. Concession code 236B – Assembly Mixing and Blending	<ul style="list-style-type: none"> ➤ Concession code 236B will be expanded to provide duty concessions on machines, equipment and other accessories.
17. Concession code 122 – International Trade Agreements	<ul style="list-style-type: none"> ➤ Concession code 122 will be expanded to include goods traded under international trade agreements such as the Interim Economic Partnership Agreement (IEPA) ensuring alignment with Fiji's trade obligations and facilitating preferential market access.
18. Used Vehicle definition	<ul style="list-style-type: none"> ➤ "Used Vehicle" will be defined as any vehicle that has been registered at any time, for any purpose, including one that has been used for the purpose of demonstration in connection with the sale of a similar vehicle at any time before being offered or displayed for sale.

(vii) Fiji Revenue Customs Service (FRCS) Act

Policy	Description
1. Mutual Administrative Assistance in Tax Matters (MAAC)	<ul style="list-style-type: none"> ➤ A new provision will be made to allow the disclosure of information under Section 52(4A) and 52C of the Act to comply with the MAAC articles.

(viii) Water Resource Tax Act

Policy	Description
1. Penalty for unauthorised water extraction and bottling	<ul style="list-style-type: none"> ➤ A penalty provision of a fine not exceeding \$25,000 or to an imprisonment term not exceeding 10 years or to both will be introduced for water extraction and bottling businesses that operate without prior approval from relevant authorities

(ix) Customs (Prohibited Imports and Exports) Regulations (CPIER)

Policy	Description
1. Ease of import restrictions on antique, vintage, high-end and luxury vehicles	<ul style="list-style-type: none">➤ To facilitate the importation of antique, vintage, high-end and luxury vehicles, the Euro IV requirements will be eased.➤ Additionally, the value of the vehicle must exceed \$500,000 which will attract the normal duty rates.
2. Modification of Goods Vehicle (New/Used)	<ul style="list-style-type: none">➤ A new provision will be introduced to require a prior approval from the Comptroller before the modification of goods vehicles within a period of five years after importation.

APPENDICES

Table 1: Current Civil Service Salary Bands

Band	Step 1	Step 2	Step 3	Step 4 Mid	Step 5	Step 6	Step 7
A	\$10,774.40	\$11,447.80	\$12,255.88	\$13,275.60	\$13,949.00	\$14,737.84	\$15,757.56
	\$5.60	\$5.95	\$6.37	\$6.90	\$7.25	\$7.66	\$8.19
B	\$12,255.88	\$13,063.96	\$13,987.48	\$15,180.36	\$15,969.20	\$16,911.96	\$18,104.84
	\$6.37	\$6.79	\$7.27	\$7.89	\$8.30	\$8.79	\$9.41
C	\$14,006.72	\$14,930.24	\$16,026.92	\$17,412.20	\$18,335.72	\$19,432.40	\$20,817.68
	\$7.28	\$7.76	\$8.33	\$9.05	\$9.53	\$10.10	\$10.82
D	\$16,354.00	\$17,469.92	\$18,759.00	\$20,413.64	\$21,529.56	\$22,818.64	\$24,492.52
	\$8.50	\$9.08	\$9.75	\$10.61	\$11.19	\$11.86	\$12.73
E	\$20,506.50	\$22,215.38	\$24,412.50	\$25,877.25	\$27,830.25	\$30,515.63	\$32,956.88
F	\$24,261.72	\$26,283.53	\$28,883.00	\$30,615.98	\$32,926.62	\$36,103.75	\$38,992.05
G	\$32,038.10	\$34,707.95	\$38,140.60	\$40,429.04	\$43,480.28	\$47,675.75	\$51,489.81
H	\$37,434.18	\$40,553.70	\$44,564.50	\$47,684.02	\$51,249.18	\$56,596.92	\$61,124.67
I	\$46,627.14	\$50,512.74	\$55,508.50	\$59,394.10	\$63,834.78	\$70,495.80	\$76,135.46
J	\$55,066.28	\$59,655.14	\$65,555.10	\$70,143.96	\$75,388.37	\$83,254.98	\$89,915.38
K	\$64,556.35	\$69,936.05	\$76,852.80	\$82,232.50	\$88,380.72	\$97,603.06	\$105,411.30
L	\$73,047.91	\$79,135.24	\$86,961.80	\$93,049.13	\$100,006.07	\$110,441.49	\$119,276.81
M	\$80,457.89	\$87,162.71	\$95,783.20	\$103,445.86	\$112,066.34	\$124,518.16	\$134,479.61
N	\$83,111.49	\$90,037.45	\$98,942.25	\$106,857.63	\$115,762.43	\$128,624.93	\$138,914.92
O	\$90,124.52	\$97,634.90	\$107,291.10	\$115,874.39	\$125,530.59	\$139,478.43	\$150,636.70

Table 2: Revised Civil Service Salary Bands Effective from Pay 17 - August 2025

Band	Revised Step 1	Revised Step 2	Revised Step 3	Revised Step 4 Mid	Revised Step 5	Revised Step 6	Revised Step 7
A	\$11,097.63	\$11,791.23	\$12,623.56	\$13,673.87	\$14,367.47	\$15,179.98	\$16,230.29
	\$5.77	\$6.13	\$6.56	\$7.11	\$7.47	\$7.89	\$8.44
B	\$12,623.56	\$13,455.88	\$14,407.10	\$15,635.77	\$16,448.28	\$17,419.32	\$18,647.99
	\$6.56	\$6.99	\$7.49	\$8.13	\$8.55	\$9.05	\$9.69
C	\$14,426.92	\$15,378.15	\$16,507.73	\$17,934.57	\$18,885.79	\$20,015.37	\$21,442.21
	\$7.50	\$7.99	\$8.58	\$9.32	\$9.82	\$10.40	\$11.14
D	\$16,844.62	\$17,994.02	\$19,321.77	\$21,026.05	\$22,175.45	\$23,503.20	\$25,227.30
	\$8.76	\$9.35	\$10.04	\$10.93	\$11.53	\$12.22	\$13.11
E	\$21,121.70	\$22,881.84	\$25,144.88	\$26,653.57	\$28,665.16	\$31,431.10	\$33,945.59
F	\$24,989.57	\$27,072.04	\$29,749.49	\$31,534.46	\$33,914.42	\$37,186.86	\$40,161.81
G	\$32,999.24	\$35,749.19	\$39,284.82	\$41,641.91	\$44,784.69	\$49,106.02	\$53,034.50
H	\$38,557.21	\$41,770.31	\$45,901.44	\$49,114.54	\$52,786.66	\$58,294.83	\$62,958.41
I	\$48,025.95	\$52,028.12	\$57,173.76	\$61,175.92	\$65,749.82	\$72,610.67	\$78,419.53
J	\$56,718.27	\$61,444.79	\$67,521.75	\$72,248.28	\$77,650.02	\$85,752.63	\$92,612.84
K	\$66,493.04	\$72,034.13	\$79,158.38	\$84,699.48	\$91,032.14	\$100,531.15	\$108,573.64
L	\$75,239.35	\$81,509.30	\$89,570.65	\$95,840.60	\$103,006.25	\$113,754.73	\$122,855.11
M	\$82,871.63	\$89,777.59	\$98,656.70	\$106,549.24	\$115,428.33	\$128,253.70	\$138,514.00
N	\$85,604.83	\$92,738.57	\$101,910.52	\$110,063.36	\$119,235.30	\$132,483.68	\$143,082.37
O	\$92,828.26	\$100,563.95	\$110,509.83	\$119,350.62	\$129,296.51	\$143,662.78	\$155,155.81

Table 3: Calendar Year Real GDP by Sector 2020-2027 (\$Million)

Activity	Base Weight	2020r	2021r	2022r	2023p	2024e	2025f	2026f	2027f
AGRICULTURE	8.3	756.2	764.4	796.4	841.3	862.4	900.6	942.2	982.4
General Government	0.1	9.1	9.0	9.0	9.1	9.5	9.8	9.9	9.9
Subsistence	1.8	132.0	132.7	134.5	136.7	138.3	140.3	142.2	144.1
Formal Non-Government Agriculture	6.0	584.1	591.4	620.0	660.8	678.7	713.7	752.1	789.2
Taro	0.9	55.3	55.8	66.5	67.9	72.1	76.0	80.0	84.0
Sugarcane	1.3	91.4	74.6	86.1	82.0	69.7	70.7	73.3	76.2
FORESTRY AND LOGGING	0.8	25.5	34.2	30.1	25.6	23.5	26.8	27.5	28.3
FISHING AND AQUACULTURE	1.2	61.1	50.9	56.8	57.6	59.6	61.5	63.2	65.1
Formal Non-Government Fishing and Aquaculture	0.8	35.5	27.9	33.0	33.4	34.7	35.9	37.0	38.2
MINING & QUARRYING	0.9	57.8	53.6	44.5	41.8	49.4	53.8	58.4	64.2
MANUFACTURING	13.5	1,018.6	1,001.1	1,011.5	986.1	1,005.1	1,016.0	1,036.1	1,056.6
Informal manufacturing	2.5	179.6	176.8	180.9	179.7	181.5	185.2	188.9	192.6
Sugar	0.9	19.1	17.0	23.2	12.0	10.9	11.1	11.5	12.0
Mineral water	1.0	120.0	162.5	170.6	148.2	144.1	136.9	139.6	142.4
Wearing apparel	1.1	65.7	57.8	53.5	51.3	50.2	49.2	49.7	50.2
ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	1.0	153.1	158.1	218.9	184.8	190.4	198.8	206.7	212.8
WATER SUPPLY, SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	0.7	54.6	53.6	55.5	56.1	59.2	60.3	61.5	62.7
CONSTRUCTION	2.9	259.3	173.9	229.1	214.9	208.0	224.3	238.1	257.0
Formal Non-Government Construction	1.9	154.7	93.8	138.2	124.6	117.9	129.7	138.7	152.6
WHOLESALE AND RETAIL AND REPAIR OF MOTOR VEHICLES AND MOTOR CYCLES	11.3	893.4	771.5	827.2	886.0	903.2	923.2	953.2	971.4
Informal WRT	3.4	247.8	246.3	248.8	250.3	241.8	241.3	238.9	236.7
Formal Non-Government WRT	7.9	645.6	525.2	578.4	635.8	661.4	681.9	714.3	734.7
TRANSPORT AND STORAGE	7.9	18.1	168.6	595.4	875.2	904.3	921.1	947.0	973.4
Formal Non-Government Transport & Storage	7.7	8.2	159.4	585.1	864.7	893.5	910.1	935.8	962.0
Water & air transport	3.9	-285.5	-110.8	284.3	533.8	555.2	566.3	583.3	600.8
ACCOMMODATION AND FOOD SERVICE ACTIVITIES	6.3	164.9	90.7	337.2	445.2	473.3	473.3	487.3	501.8
Formal Non-Government Accommodation and Food Service Activities	6.1	153.5	79.7	323.5	430.9	458.7	458.3	472.1	486.3
Short-term accommodation activities/camping grounds, recreational vehicle parks and trailer parks	5.4	122.7	56.9	282.1	387.0	413.3	412.1	424.4	437.2
INFORMATION AND COMMUNICATION	5.4	398.5	385.0	418.7	480.2	507.6	526.0	545.3	562.1
Formal Non-Government Information and Communication	5.3	393.8	380.5	414.3	475.9	503.1	521.5	540.7	557.5
Wired telecommunications activities	1.1	74.9	66.0	71.1	90.7	86.2	85.3	87.9	91.4
Wireless telecommunications activities	2.6	203.6	215.5	226.5	256.9	282.6	296.8	308.6	317.9
FINANCIAL AND INSURANCE ACTIVITIES	10.2	737.0	769.7	928.9	1,030.3	1,052.7	1,084.8	1,112.0	1,139.9
Central banking	0.2	15.0	15.2	14.2	13.2	13.3	13.4	13.4	13.5
Other monetary intermediation	5.0	377.7	409.7	544.9	650.9	664.0	690.5	711.2	732.6

	Base Weight	2020r	2021r	2022r	2023p	2024e	2025f	2026f	2027f
Activities of holding companies	0.9	62.7	62.6	63.6	64.1	64.7	65.1	65.7	66.4
REAL ESTATE ACTIVITIES	4.0	293.0	275.9	281.7	297.7	306.2	312.7	320.5	325.7
Owner Occupied Dwellings	3.1	228.7	221.8	214.2	229.9	236.8	241.6	246.4	251.3
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	2.4	158.2	139.7	158.7	164.8	171.8	178.0	183.0	187.8
ADMINISTRATIVE AND SUPPORT SERVICES	2.0	102.9	63.1	112.1	140.2	147.9	150.8	155.0	159.3
PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	9.4	793.4	731.6	730.2	773.8	813.8	849.9	858.4	867.0
General Public administrative activities	2.2	199.9	174.1	173.4	182.5	195.8	212.7	214.8	217.0
Defence activities	2.4	162.5	151.6	150.6	164.5	166.1	169.4	171.1	172.8
Public order and safety activities	2.6	214.7	214.6	217.1	228.7	246.9	251.9	254.4	256.9
EDUCATION	7.6	628.6	629.1	636.3	645.5	652.9	665.9	679.2	692.8
HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	2.6	300.7	356.0	249.3	279.2	282.9	286.1	289.5	292.8
ARTS, ENTERTAINMENT AND RECREATION ACTIVITIES	0.4	24.2	16.5	23.8	26.2	27.4	28.0	28.6	29.3
OTHER SERVICE ACTIVITIES	1.2	85.8	59.9	82.0	85.1	86.4	87.3	87.9	88.5
GVA @ CONSTANT PRICES	100.0	6,985.0	6,747.1	7,824.5	8,537.7	8,787.8	9,029.3	9,280.7	9,520.9
ADD NET TAXES		1,867.8	1,673.6	2,262.9	2,308.7	2,493.4	2,618.1	2,722.8	2,831.8
REAL GDP		8,852.8	8,420.7	10,087.4	10,846.4	11,281.2	11,647.4	12,003.6	12,352.6

(Sources: Fiji Bureau of Statistics & Macroeconomic Committee; r-revised, p-provisional, e-estimate, f-forecast)

Table 4: Calendar Year Real GDP Growth by Sector 2020-2027 (Percent Change)

Activity	Base Weight	2020r	2021r	2022r	2023p	2024e	2025f	2026f	2027f
AGRICULTURE	8.3	4.1	1.1	4.2	5.6	2.5	4.4	4.6	4.3
General Government	0.1	-10.1	-2.0	0.7	0.6	5.0	3.0	0.5	0.5
Subsistence	1.8	3.1	0.5	1.4	1.7	1.2	1.4	1.4	1.3
Formal Non-Government Agriculture	6.0	4.7	1.3	4.8	6.6	2.7	5.1	5.4	4.9
Taro	0.9	4.4	1.0	19.0	2.1	6.2	5.5	5.3	5.0
Sugarcane	1.3	-4.4	-18.4	15.5	-4.8	-15.0	1.4	3.7	4.0
FORESTRY AND LOGGING	0.8	3.3	34.1	-11.9	-15.1	-8.1	13.9	2.8	2.9
FISHING AND AQUACULTURE	1.2	-7.7	-16.8	11.7	1.4	3.5	3.1	2.9	2.9
Formal Non-Government Fishing and Aquaculture	0.8	-13.0	-21.5	18.6	1.0	4.0	3.4	3.1	3.1
MINING & QUARRYING	0.9	-4.6	-7.3	-16.9	-6.3	18.2	9.1	8.4	10.0
MANUFACTURING	13.5	-8.3	-1.7	1.0	-2.5	1.9	1.1	2.0	2.0
Informal Manufacturing	2.5	-3.3	-1.6	2.4	-0.7	1.0	2.0	2.0	2.0
Sugar	0.9	-25.2	-10.9	36.3	-48.2	-9.6	1.9	3.7	4.0
Mineral water	1.0	-10.0	35.4	5.0	-13.1	-2.8	-5.0	2.0	2.0
Wearing apparel	1.1	-24.9	-12.0	-7.5	-4.1	-2.0	-2.0	1.0	1.0
ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	1.0	-13.1	3.3	38.4	-15.6	3.0	4.4	4.0	3.0
WATER SUPPLY, SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	0.7	-7.9	-1.8	3.7	1.0	5.4	1.9	1.9	1.9
CONSTRUCTION	2.9	-16.7	-32.9	31.8	-6.2	-3.2	7.8	6.2	7.9
Formal Non-Government Construction	1.9	-25.1	-39.4	47.4	-9.8	-5.4	10.0	7.0	10.0
WHOLESALE AND RETAIL AND REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	11.3	-2.4	-13.6	7.2	7.1	1.9	2.2	3.3	1.9
Informal WRT	3.4	0.1	-0.6	1.0	0.6	-3.4	-0.2	-1.0	-0.9
Formal Non-Government WRT	7.9	-3.4	-18.6	10.1	9.9	4.0	3.1	4.7	2.9

Activity	Base Weight	2020r	2021r	2022r	2023p	2024e	2025f	2026f	2027f
TRANSPORT AND STORAGE	7.9	-95.7	834.3	253.1	47.0	3.3	1.9	2.8	2.8
Formal Non-Government Transport & Storage	7.7	-98.0	1,853.4	267.0	47.8	3.3	1.9	2.8	2.8
Water & air transport	3.9	-512.3	61.2	356.7	87.8	4.0	2.0	3.0	3.0
ACCOMMODATION AND FOOD SERVICE ACTIVITIES	6.3	-68.3	-45.0	271.9	32.0	6.3	0.0	3.0	3.0
Formal Non-Government Accommodation and Food Service Activities	6.1	-69.8	-48.1	305.9	33.2	6.4	-0.1	3.0	3.0
Short-term accommodation activities/camping grounds, recreational vehicle parks and trailer parks	5.4	-73.3	-53.6	395.8	37.2	6.8	-0.3	3.0	3.0
INFORMATION AND COMMUNICATION	5.4	-11.1	-3.4	8.8	14.7	5.7	3.6	3.7	3.1
Formal Non-Government Information and Communication	5.3	-11.2	-3.4	8.9	14.9	5.7	3.7	3.7	3.1
Wired telecommunication activities	1.1	3.2	-11.8	7.6	27.6	-5.0	-1.0	3.0	4.0
Wireless telecommunications activities	2.6	-13.3	5.8	5.1	13.5	10.0	5.0	4.0	3.0
FINANCIAL AND INSURANCE ACTIVITIES	10.2	-2.4	4.4	20.7	10.9	2.2	3.1	2.5	2.5
Central banking	0.2	-5.5	1.1	-6.1	-7.6	1.0	0.5	0.5	0.5
Other monetary intermediation	5.0	-3.4	8.5	33.0	19.5	2.0	4.0	3.0	3.0
Activities of holding companies	0.9	-0.7	-0.2	1.7	0.7	1.0	0.5	1.0	1.0
REAL ESTATE ACTIVITIES	4.0	-4.7	-5.8	2.1	5.7	2.8	2.1	2.5	1.6
Owner Occupied Dwellings	3.1	-1.7	-3.0	-3.4	7.3	3.0	2.0	2.0	2.0
PROFESSIONAL SCIENTIFIC AND TECHNICAL ACTIVITIES	2.4	-15.4	-11.7	13.6	3.9	4.2	3.6	2.8	2.6
ADMINISTRATIVE AND SUPPORT SERVICE	2.0	-36.0	-38.7	77.7	25.1	5.5	2.0	2.8	2.8
PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	9.4	-2.1	-7.8	-0.2	6.0	5.2	4.4	1.0	1.0
General public administrative activities	2.2	-4.9	-12.9	-0.4	5.3	7.3	8.6	1.0	1.0
Defence activities	2.4	-3.6	-6.7	-0.6	9.2	1.0	2.0	1.0	1.0
Public order and safety activities	2.6	5.8	-0.1	1.2	5.3	8.0	2.0	1.0	1.0
EDUCATION	7.6	-1.7	0.1	1.1	1.4	1.1	2.0	2.0	2.0
HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	2.6	19.5	18.4	-30.0	12.0	1.3	1.2	1.2	1.2
ARTS, ENTERTAINMENT AND CREATION ACTIVITIES	0.4	-21.6	-32.1	44.4	10.1	4.8	2.0	2.4	2.4
OTHER SERVICE ACTIVITIES	1.2	-7.9	-30.2	37.0	3.7	1.5	1.1	0.7	0.7
GVA @ CONSTANT PRICES	100.0	-13.5	-3.4	16.0	9.1	2.9	2.7	2.8	2.6
ADD NET TAXES		-28.1	-10.4	35.2	2.0	8.0	5.0	4.0	4.0
REAL GDP		-17.0	-4.9	19.8	7.5	4.0	3.2	3.1	2.9

(Sources: Fiji Bureau of Statistics & Macroeconomic Committee; r-revised, p-provisional, e-estimate, f-forecast)

Table 5: Calendar Year Nominal GDP 2020-2027

	2020r	2021r	2022r	2023p	2024e	2025f	2026f	2027f
Nominal GDP (\$M)	9,613.2	8,914.1	10,939.9	12,245.3	13,616.3	14,202.7	14,998.1	15,827.7
Growth Rate (%)	-18.3	-7.3	22.7	11.9	11.2	4.3	5.6	5.5

(Sources: Fiji Bureau of Statistics & Macroeconomic Committee; r-revised, p-provisional, e-estimate, f-forecast)

Table 6: Fiscal Year Nominal GDP FY2020–21 to FY2026-27

	2020-21r	2021-22p	2022-23e	2023-24e	2024-25f	2025-26f	2026-27f
Nominal GDP (\$M)	9,098.8	10,069.5	11,690.9	13,045.7	13,956.5	14,660.8	15,472.1
Growth Rate (%)	-14.7	10.7	16.1	11.6	7.0	5.0	5.5

(Source: Macroeconomic Committee; r-revised p-provisional; e-estimate f-forecast Note: *Figures are rounded-off)

Table 7: Calendar Year Total Exports by Major Commodities 2020–2027 (\$Million)

Commodities	2020	2021	2022r	2023r	2024p	2025f	2026f	2027f
Sugar	104.5	64.1	128.4	145.2	103.5	103.4	112.5	120.6
Molasses	20.7	19.5	25.8	14.5	22.1	17.0	19.0	21.0
Gold	134.1	132.4	101.2	97.8	168.1	227.0	281.7	313.0
Timber	64.6	89.3	71.6	63.2	55.5	54.7	58.3	62.4
Fish	70.4	55.4	78.5	60.6	58.2	60.5	63.9	67.8
Yaqona	43.6	41.9	40.7	38.1	53.6	61.6	67.8	74.6
Textiles	8.2	10.0	8.4	6.9	6.0	5.4	5.6	5.8
Garments	71.6	70.7	65.5	66.5	66.4	63.4	65.8	68.5
Mineral Water	223.2	312.6	361.8	356.4	351.2	340.1	344.9	350.0
Other Domestic Exports	405.7	436.2	486.1	498.0	489.5	524.5	543.1	597.9
Re- Exports (excl. aircraft)	612.4	573.7	948.4	1,055.8	1,177.2	1,197.2	1,215.4	1,257.9
Total Exports	1,795.1	1,808.2	2,318.3	2,402.7	2,570.9	2,654.9	2,788.8	2,926.5
Total Exports Excl. Aircraft	1,758.6	1,805.6	2,317.5	2,402.7	2,570.5	2,654.9	2,788.8	2,926.5

(Sources: Fiji Bureau of Statistics & Macroeconomic Committee; r-revised, p-provisional, f-forecast)

Table 8: Fiscal Year Exports FY2020–21 to FY2026-27

	2020-21	2021-22	2022-23p	2023-24p	2024-25f	2025-26f	2026-27f
Total Exports (\$M)	1,787.4	1,945.5	2,486.4	2,501.2	2,584.6	2,732.8	2,860.9
Total Exports Excl. Aircraft (\$M)	1,751.2	1,942.4	2,486.4	2,501.2	2,584.6	2,732.8	2,860.9
Exports Excl. Aircraft Growth Rate (%)	-9.8	10.9	28.0	0.6	3.3	5.7	4.7

(Source: Macroeconomic Committee; r-revised, p-provisional, f-forecast Note: *Figures are rounded-off)

Table 9: Calendar Year Total Imports by Category 2020–2027 (\$Million)

Economic Category	2020	2021	2022r	2023r	2024p	2025f	2026f	2027f
Food	737.5	781.6	1,069.6	1,144.1	1,162.0	1,169.1	1,182.7	1,191.5
Beverage & Tobacco	34.7	36.7	70.3	88.5	82.7	83.1	85.6	88.1
Crude Materials	44.4	46.7	57.2	46.4	60.0	65.5	67.8	69.5
Mineral Fuels	656.6	721.3	1,626.2	1,694.4	1,613.4	1,614.7	1,641.8	1,682.2
Oil & Fats	51.2	62.1	127.0	75.4	63.4	66.6	69.3	70.6
Chemicals	385.5	500.9	677.2	552.9	565.6	583.2	585.7	588.1
Manufactured Goods	609.9	645.7	914.8	832.3	855.1	872.1	899.6	927.8
Machinery & Transport Equipment	838.2	947.9	1,429.0	1,713.0	1,924.7	2,008.6	2,081.8	2,140.7
<i>-of which large items</i>	15.1	10.6	15.2	2.1	0.2	0.0	0.0	0.0
Miscellaneous Manufactured Goods	383.9	436.3	615.3	818.6	683.3	699.1	719.3	738.1
Other Commodities	12.4	8.4	14.4	15.5	14.4	15.1	15.6	15.9
Total Imports	3,754.3	4,187.6	6,601.0	6,981.1	7,024.6	7,177.2	7,349.2	7,512.6
Total Imports Excl. Aircraft	3,739.2	4,177.0	6,585.8	6,979.0	7,024.4	7,177.2	7,349.2	7,512.6

(Sources: Fiji Bureau of Statistics & Macroeconomic Committee; r-revised, p-provisional, f-forecast)

Table 10: Fiscal Year Imports FY2020–21 to FY2026-27

Commodities	2020-21	2021-22r	2022-23p	2023-24p	2024-25f	2025-26f	2026-27f
Total Imports (\$M)	3,848.8	5,285.9	6,976.0	6,987.2	7,055.5	7,268.0	7,435.8
Total Imports Excl. Aircraft (\$M)	3,848.3	5,264.5	6,970.2	6,987.0	7,055.3	7,268.0	7,435.8
Imports Excl. Aircraft Growth Rate (%)	-11.0	36.8	32.4	0.2	1.0	3.0	2.3

(Source: Macroeconomic Committee; r-revised, p-provisional, f-forecast Note: *Figures are rounded-off)

Table 11:¹⁹ Calendar Year Balance of Payments 2020–2027 (\$Millions)

Items	2020	2021	2022	2023p	2024e	2025f	2026f	2027f
BALANCE ON GOODS	-1,421.8	-1,743.0	-3,599.5	-4,002.8	-3,879.2	-3,902.9	-4,024.2	-4,038.8
Exports f.o.b	1,775.4	1,798.2	2,318.0	2,400.7	2,579.9	2,741.9	2,783.3	2,927.5
Imports f.o.b	3,197.2	3,541.3	5,917.5	6,403.5	6,459.1	6,644.8	6,807.4	6,966.3
BALANCE ON SERVICES	-182.1	-430.3	1,291.3	2,503.2	2,544.8	2,600.6	2,682.8	2,772.5
Export of Services	899.9	589.8	2,958.7	4,575.0	4,804.0	4,810.9	4,966.9	5,260.5
Import of Services	1,082.0	1,020.1	1,667.4	2,071.8	2,259.2	2,210.2	2,284.1	2,488.0
BALANCE ON PRIMARY INCOME	-609.6	-518.3	-583.0	-701.2	-760.1	-851.8	-948.0	-902.2
Income from non-residents	134.2	127.9	127.1	202.4	234.9	219.9	221.9	221.4
Income to non-residents	743.8	646.2	710.1	903.6	995.0	1,071.7	1,169.8	1,123.6
BALANCE ON SECONDARY INCOME	895.4	1,527.3	1,001.4	1,255.6	1,069.2	1,129.1	1,108.1	971.7

¹⁹ This table is presented in general accordance with the principles laid down by the International Monetary Fund, in the sixth edition of the Balance of Payments Manual.

Items	2020	2021	2022	2023p	2024e	2025f	2026f	2027f
Inflow of current transfers	1,070.2	1,704.1	1,198.1	1,495.6	1,755.9	1,894.3	1,933.4	1,850.4
Outflow of current transfers.	174.8	176.8	196.7	240.0	686.6	765.1	825.3	878.8
CURRENT ACCOUNT BALANCE	-1,318.1	-1,164.3	-1,889.8	-945.2	-1,025.3	-1,024.9	-1,181.3	-1,196.8
CAPITAL ACCOUNT BALANCE	7.7	6.6	6.5	7.5	8.1	8.1	8.1	8.0
FINANCIAL ACCOUNT BALANCE (excl. RA)	752.7	1,628.0	1,530.5	603.3	1,272.8	1,215.2	1,143.0	762.4
Errors & Omissions	519.8	539.2	554.0	328.9	71.1	-463.6	-166.9	131.0
RESERVE ASSETS	-37.9	1,009.5	201.2	-5.5	326.7	-265.2	-197.1	-295.4

(Sources: Fiji Bureau of Statistics & Macroeconomic Committee; e-estimate r-revised, p-provisional, f-forecast)

Table 12: Calendar Year Tourism Statistics 2020–2027

	2020r	2021r	2022r	2023r	2024p	2025f	2026f	2027f
Visitor Arrivals	146,905	31,618	636,312	929,740	982,938	982,938	1,012,426	1,042,799
Earnings (\$M)	519.2	594.1	1,701.2	2,488.7	2,536.8	2,550.8	2,628.2	2,681.0

(Sources: Fiji Bureau of Statistics, Macroeconomic Committee; r-revised p-provisional, f-forecast)

Table 13: Calendar Year Sugar Export & Price 2020–2027

	2020	2021	2022	2023p	2024p	2025f	2026f	2027f
Sugar Exports (000 tonnes)	139.9	84.2	127.7	116.1	109.7	111.8	115.9	120.5
Unit Value (\$/tonne)	746.9	761.4	1,040.1	1,251.0	943.5	924.7	970.9	1,000.0
Sugar Export Earnings (\$M)	104.5	64.1	128.4	145.3	103.5	103.4	112.5	120.5
Molasses Export Earnings (\$M)	20.7	19.5	25.8	14.5	22.1	17.0	19.0	21.0

(Sources: Fiji Bureau of Statistics, Fiji Sugar Corporation & Macroeconomic Committee; r-revised, p-provisional, f-forecast)

Table 14: Calendar Year Inflation Rates 2020–2027

	2020	2021	2022	2023	2024	2025f	2026f	2027f
Year-end Inflation (%)	-2.8	3.0	3.1	5.1	1.3	2.0	3.4	3.0
Average Annual Inflation (%)	-2.6	0.2	4.3	2.3	4.5	1.1	2.7	3.0

(Sources: Fiji Bureau of Statistics and RBF f-forecast)

Table 15: Central Government Fiscal Data (\$Million)

Year	Revenue	Expenditure	Overall Balance	Overall Balance % of GDP	Debt	Debt % of GDP	Domestic Debt	External Debt	Nominal GDP	Principal Loan Repayments
1980	238.6	267.0	-28.4	-2.9	249.6	25.4	159.4	90.2	983.7	
1981	266.9	303.6	-36.7	-3.5	307.0	29.1	183.6	123.4	1,056.0	
1982	269.8	335.7	-65.9	-5.9	380.9	34.2	238.8	142.1	1,113.4	
1983	300.5	337.9	-37.4	-3.3	432.4	37.9	284.0	148.4	1,142.2	
1984	337.7	374.4	-36.7	-2.9	484.9	38.0	327.9	157.0	1,275.3	
1985	349.9	382.2	-32.2	-2.4	512.5	38.9	355.5	157.0	1,316.4	
1986	360.8	401.3	-40.5	-2.8	580.6	39.7	423.7	156.9	1,461.7	
1987	352.5	411.1	-58.7	-4.0	641.6	43.8	498.3	143.3	1,465.2	
1988	414.1	407.6	6.5	0.4	652.4	41.1	524.3	128.1	1,587.6	
1989	480.1	487.0	-6.9	-0.4	695.8	39.7	547.8	148.0	1,754.3	
1990	551.2	528.9	22.4	1.1	708.4	35.8	550.2	158.2	1,980.0	
1991	575.0	590.8	-15.8	-0.8	800.6	39.2	594.6	206.0	2,042.0	
1992	602.3	658.2	-55.9	-2.4	843.4	36.6	638.0	205.4	2,303.2	
1993	654.1	737.4	-83.3	-3.3	923.8	36.6	733.4	190.4	2,522.5	
1994	697.8	733.2	-35.4	-1.3	981.6	36.7	792.0	189.6	2,673.1	
1995	718.9	731.7	-12.8	-0.5	998.6	36.0	804.1	194.5	2,770.9	
1996	746.9	891.9	-144.9	-4.9	1,133.5	37.9	942.8	190.7	2,988.0	
1997	803.1	1,002.0	-198.9	-6.6	1,356.3	44.9	1,156.1	200.2	3,017.6	
1998	1,141.2	977.4	163.7	5.0	1,306.1	39.8	1,060.6	245.6	3,284.5	
1999	1,004.5	1,015.0	-10.5	-0.3	1,355.1	35.5	1,164.6	190.6	3,814.1	
2000	911.0	1,031.6	-120.6	-3.4	1,445.8	40.5	1,244.2	201.6	3,572.3	
2001	900.5	1,132.9	-232.4	-6.2	1,674.0	44.5	1,474.6	199.4	3,762.0	
2002	1,038.8	1,251.9	-213.1	-5.3	1,893.9	47.2	1,699.1	194.8	4,009.2	121.3
2003	1,066.3	1,320.9	-254.6	-5.8	2,132.9	48.9	1,963.0	169.9	4,361.2	125.7
2004	1,176.2	1,322.6	-146.4	-3.1	2,280.3	48.6	2,114.8	165.5	4,693.1	156.6
2005	1,221.9	1,390.4	-168.5	-3.3	2,422.8	48.1	2,258.4	164.4	5,040.0	197.8
2006	1,401.3	1,558.5	-157.2	-3.0	2,863.1	53.8	2,446.3	416.7	5,325.7	191.8
2007	1,391.3	1,487.4	-96.2	-1.8	2,734.8	50.3	2,337.8	397.0	5,440.1	222.1
2008	1,454.9	1,426.8	28.2	0.5	2,886.9	51.4	2,411.0	476.0	5,614.9	203.7
2009	1,415.9	1,644.7	-228.9	-4.1	3,132.6	55.8	2,605.0	527.5	5,614.1	266.6
2010	1,537.8	1,668.7	-130.8	-2.2	3,383.1	56.2	2,834.7	548.5	6,024.5	216.1
2011	1,804.1	1,898.3	-94.1	-1.4	3,566.5	52.7	2,734.4	832.1	6,768.5	498.4
2012	1,937.1	2,013.7	-76.5	-1.1	3,670.0	51.6	2,734.5	935.5	7,109.5	252.6
2013	2,098.4	2,136.3	-37.9	-0.5	3,831.9	49.7	2,737.9	1,094.1	7,715.7	193.2
2014	2,370.8	2,723.1	-352.3	-3.8	4,080.0	44.5	2,825.8	1,254.3	9,167.0	202.2
2015	2,800.2	2,981.8	-181.6	-1.8	4,227.9	43.0	2,982.1	1,245.8	9,822.1	677.3
2015-2016	2,908.3	3,296.6	-388.4	-3.8	4,507.6	44.6	3,245.0	1,262.6	10,109.8	178.3
2016-2017	2,837.4	3,060.3	-222.8	-2.1	4,671.7	43.5	3,300.8	1,370.9	10,746.0	148.9
2017-2018	3,244.4	3,741.1	-496.7	-4.4	5,220.5	45.8	3,763.0	1,457.5	11,399.2	205.5
2018-2019	3,180.6	3,600.1	-419.5	-3.6	5,735.3	49.0	4,278.5	1,456.8	11,714.0	290.1
2019-2020	2,717.1	3,353.5	-636.4	-6.0	6,686.0	62.7	4,976.5	1,709.5	10,660.6	252.8
2020-2021	2,143.0	3,190.3	-1,047.3	-11.5	7,663.7	84.2	5,241.2	2,422.5	9,098.8	674.6
2021-2022	2,190.8	3,414.1	-1,223.3	-12.1	9,131.5	90.7	5,767.4	3,364.1	10,069.5	345.8
2022-2023	2,749.8	3,589.2	-839.4	-7.2	9,747.5	83.4	6,170.5	3,577.0	11,690.9	297.1
2023-2024	3,646.2	4,093.8	-447.6	-3.4	10,309.2	79.0	6,587.9	3,721.3	13,045.7	501.3
2024-2025 (P)	3,936.6	4,441.9	-505.3	-3.6	10,814.5	77.5	7,022.9	3,791.6	13,956.5	349.1
2025-2026 (B)	3,947.4	4,833.5	-886.0	-6.0	11,700.6	79.8	7,600.3	4,100.3	14,660.8	602.0

(P-Provisional, B-Budget)

