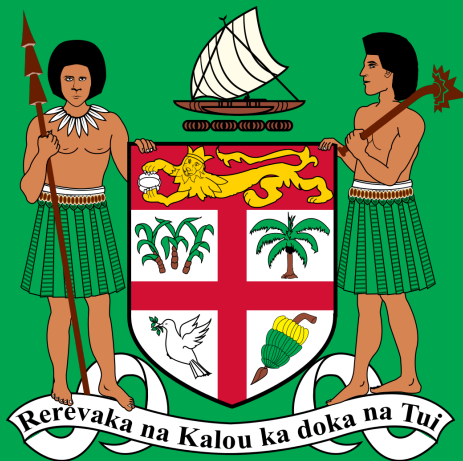


REPUBLIC OF FIJI

ECONOMIC AND FISCAL UPDATE SUPPLEMENT TO THE 2026-2027 BUDGET ADDRESS



"A Responsible Budget for Sustainable Future"

Ministry of Finance
26 June 2026



FOREWORD

The Supplement to the 2026-2027 Budget Address discusses Fiji’s current macroeconomic and fiscal position and forward projections for the next three years.

The 2026-2027 Budget presents key measures stemming from an extensive public dialogue process with the theme “*A Responsible Budget for Sustainable Future*”. This National Budget underscores a prudent fiscal stance of the Government by capping expenditure growth and strengthening the quality and efficiency of public spending. This approach focuses on directing limited resources towards high-impact priorities that support economic growth, improve service delivery, and protect vulnerable households, while eliminating wasteful and low-priority expenditure. With greater expenditure discipline and ensuring better value for money across all Government programmes, the Budget aims to restore fiscal sustainability, enhance resilience to future shocks, and create a stronger foundation for long-term prosperity.

This document was compiled by the Ministry of Finance 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 2026.



Shiri Gounder
Permanent Secretary for Finance

26 June 2026

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CHAPTER 1: INTRODUCTION

Navigating External Uncertainty Amid Slower Growth and Fiscal Constraints

- 1.1 The conflict between the United States (US) and Iran intensified in early 2026 following a series of military strikes, retaliatory attacks and escalating tensions surrounding Iran's nuclear programme. The situation deteriorated rapidly as direct military engagements involving both countries and their regional allies led to attacks on military installations, energy infrastructure and other strategic assets across the Middle East. As hostilities escalated, the Strait of Hormuz, a critical maritime chokepoint for international energy trade through which around 20 percent of global oil passes was closed, leading to major disruptions to global oil and gas supplies.
- 1.2 Consequently, crude oil prices rose above US\$100 per barrel, reaching a peak of US\$126 per barrel on 30 April 2026, compared to an average of US\$69 per barrel in 2025. Disruptions to shipping movements, heightened security risks and fears of supply shortages contributed to increased volatility in global oil prices and freight costs, posing downside risks to global economic growth while adding to inflationary pressures.
- 1.3 In response to the deteriorating security situation, the US and Iran signed a peace deal on 17 June 2026 aimed at ending recent hostilities and creating a pathway for broader diplomatic engagement on nuclear, economic and regional security issues. The agreement provides for a permanent ceasefire, the reopening of the Strait of Hormuz to commercial shipping and the phased resumption of Iranian oil exports under sanctions waivers. It also includes commitments by Iran to refrain from developing or acquiring nuclear weapons and to participate in further negotiations on its nuclear programme. The announcement of the peace agreement helped ease market concerns, reduce immediate risks of supply disruptions and restore greater confidence in global energy markets. Consequently, crude oil prices have eased and fallen below US\$80 per barrel.
- 1.4 While the peace deal marks a significant step towards de-escalation and has helped reduce immediate concerns over disruptions to global energy supplies, risks remain elevated. Previous ceasefire arrangements in the region have been undermined by violations and renewed hostilities, highlighting the fragility of such agreements. In addition, several critical issues remain unresolved, including the scope of uranium enrichment activities, the timing and conditions for sanctions relief, verification mechanisms and broader regional security arrangements. Nonetheless, the durability and effectiveness of the agreement will depend on sustained compliance by all parties, successful negotiations during the 60-day implementation period and

continued diplomatic engagement by regional and international stakeholders. Any breakdown in the agreement or renewed escalation of tensions could once again threaten energy security, disrupt global trade routes, and reignite volatility in international commodity markets.

- 1.5 The recent oil crisis has exposed Fiji's vulnerability to external shocks, given its heavy reliance on imported fuel, international trade and tourism. The sharp increase in global oil prices placed upward pressure on domestic fuel costs, transportation expenses, freight charges and the prices of goods and services across the economy, while also posing risks to business activity and household purchasing power. Although global oil prices have moderated following recent geopolitical developments, significant uncertainty remains. Government will therefore continue to closely monitor international developments, as any renewed disruption to global energy markets could quickly translate into higher inflation, increased costs of doing business and further dampen economic activity.
- 1.6 Against a backdrop of heightened global uncertainty and a projected moderation in Fiji's economic growth in 2026 and 2027, the economy continues to face several structural and fiscal challenges. These include persistent cost-of-living pressures faced by households, ongoing skills shortages across key sectors and increasing demand for public investments to support economic and social development.
- 1.7 At the same time, Government remains constrained by the high cost of delivering essential public services, growing social protection commitments, rising debt servicing obligations and continued investment requirements in critical infrastructure and state-owned enterprises. The scope for further revenue mobilisation through taxation also remains limited, given the need to preserve business competitiveness, support investment and sustain economic activity.
- 1.8 In this challenging environment, the 2026-2027 Budget is focused on supporting economic recovery and laying the foundation for stronger, sustainable and inclusive growth. Recognising that private sector investment will be critical to driving economic activity, creating jobs and addressing productivity constraints, the Budget includes targeted measures to strengthen business confidence, encourage investment, support skills development and improve the overall ease and cost of doing business. The Budget also continues to provide targeted assistance to mitigate the impact of fuel price volatility and cost-of-living pressures, while supporting key growth sectors such as tourism, manufacturing, agriculture and other resource-based sectors. Collectively, these measures are intended to stimulate private sector-led growth, enhance economic resilience, improve affordability for households, and position the economy for stronger medium-term growth.

Major Announcements in the 2026-2027 National Budget

Fuel Crisis Mitigation Measures

Energy Fiji Limited

- 1.9 To support the Energy Fiji Limited (EFL) and maintain the continuity of electricity supply, Government will extend the fuel duty concession on diesel and heavy fuel oil (HFO) to 31 October 2026. The concession, which provides a duty reduction of 20 cents per litre on diesel and 12 cents per litre on HFO, was initially introduced for the period 1 April to 31 July 2026. The extension is expected to result in total revenue forgone of approximately \$13.8 million over the seven-month period.
- 1.10 In addition, the Fijian Competition and Consumer Commission (FCCC), in its capacity as the independent price regulator, approved an interim fuel surcharge of 5.91 cents per kilowatt hour for EFL effective 26 May 2026.
- 1.11 To mitigate the impact of higher electricity costs on vulnerable households, Government will cover the cost of the 5.91 cents per kilowatt hour fuel surcharge for all subsidised electricity customers with annual household incomes below \$30,000. This measure is expected to cost Government approximately \$4.0 million annually. This is in addition to the existing \$10.0 million subsidy provided under the Electricity Lifeline Subsidy Programme.
- 1.12 Government will also extend support for the fuel surcharge to micro, small and medium-sized enterprises (MSMEs) with an annual gross turnover of less than \$30,000. This targeted assistance reflects Government's commitment to protecting small businesses from rising energy costs.

Bus Operators

- 1.13 To ensure continuity of public transport services, Government supported bus operators through the removal of duty on diesel from 1 April to 31 July 2026, alongside a temporary 10 percent fare increase that was fully subsidised by Government. To provide ongoing assistance to the industry, the diesel duty concession will be extended until 31 October 2026, resulting in an estimated revenue forgone of \$3.7 million.
- 1.14 In addition, FCCC approved a 22.5 percent increase in bus fares effective 26 May 2026. This has been fully absorbed by Government at a total cost of \$20.0 million.

Social Welfare Recipients

- 1.15 In response to rising fuel prices and the associated cost-of-living pressures, Government provided temporary targeted assistance to vulnerable households through the existing social welfare system. From 1 May to 31 July 2026, all eligible social welfare recipients received an additional 50 percent income top-up costing around \$24.0 million.

Fiji Airways

- 1.16 To support the financial sustainability of Fiji Airways, Government has extended the loss carry-forward period from 8 years to 15 years for aviation companies that operate international flight services. This measure will provide greater flexibility for the industry to utilise accumulated losses for tax purposes and support long-term investment and recovery.
- 1.17 Fiji Airways was also given a moratorium on the revised outdoor fees from April to June 2026, which has now been extended to July 2027. This measure is expected to provide relief of approximately \$10.0 million annually to Fiji Airways. In addition, Government is considering additional guarantee of \$200.0 million in FY2026-2027.

Tourism Services Tax

- 1.18 A 5 percent Tourism Services Tax will be applied from 1 September 2026 on hotels and tour operators with an annual turnover exceeding \$2.0 million. Revenue generated from this measure will be directed to Fiji Airways to strengthen its financial position and support the continued provision of international air connectivity.

Extension of Duty Concession on Fuel

- 1.19 In the 2026-2027 Budget, Government will extend the duty concession on diesel currently available to shipping, bus operators and EFL to manufacturing, mining and hotels that use diesel for power generation. The concession will apply for a four-month period from 1 July to 31 October 2026 and is expected to result in revenue forgone of approximately \$2.5 million.

Incentives for Private Sector and Confidence Building Measures

- 1.20 To support businesses and encourage employment growth, the mandatory Fiji National Provident Fund (FNPF) employer contribution rate will be reduced from 10 percent to 8 percent for the period 1 August 2026 to 31 July 2027. The employee contribution rate will remain unchanged at 8 percent.

- 121 In addition, employers that voluntarily contribute above the mandatory 8 percent rate, up to a maximum contribution of 10 percent, will be eligible for a 150 percent tax deduction on the excess contribution. This measure provides flexibility for employers while continuing to encourage retirement savings for employees.
- 122 To promote indigenous participation in economic development and encourage investment in priority sectors, Government will introduce a new tax incentive for companies with at least 30 percent i-Taukei shareholding undertaking investments in eco-tourism, culture and arts businesses. Eligible investments of between \$5.0 million and \$10.0 million will qualify for a 7-year tax holiday, while investments of \$10.0 million and above will be granted a 13-year tax holiday.
- 123 Investment in domestic cement manufacturing will be supported through a new tax incentive. Businesses investing \$20.0 million or more in the establishment of a new cement manufacturing facility will be eligible for a 13-year tax holiday.
- 124 Government will also introduce a new tax incentive for investments in value-added mahogany processing. Existing businesses investing \$5.0 million or more in the establishment of a new mahogany sawmill will be eligible for a 5-year tax holiday.
- 125 To strengthen fuel security and support investment in strategic energy infrastructure, Government will extend the existing accelerated depreciation allowance of 20 percent to include the construction of new fuel and gas storage tanks. This measure is intended to encourage private sector investment in storage capacity and enhance the resilience of Fiji's energy supply chain.
- 126 Government will introduce a new incentive package to encourage investment in veterinary and animal care facilities, including animal sanctuaries and other approved animal welfare centres. Eligible investors will be granted tax holidays and duty concessions to support the establishment of these facilities.
- 127 In addition, taxpayers who make donations to approved veterinary facilities, animal sanctuaries and other recognised animal welfare and support centres will be eligible for a 200 percent tax deduction on the value of their contributions. This measure is intended to promote greater private sector and community support for animal welfare initiatives.

Development of Peer-to-Peer Lending and Equity Crowdfunding

- 128 Government will introduce a range of tax incentives to support the development of alternative financing mechanisms and strengthen access to

capital for businesses. Qualifying Peer-to-Peer Lending (P2PL) and Equity Crowdfunding (ECF) platform providers will be granted a 5-year tax holiday to encourage investment and innovation within the financial sector.

- 1.29 To promote greater participation in alternative financing markets, interest income earned from investments of up to \$200,000 per annum through licensed P2PL platforms will be exempted from income tax. Any excess investment above this threshold will be taxed under general rules. In addition, institutional investors in licensed P2PL platforms will be exempted from tax on interest income and the investment cap will be aligned to the Access to Business Funding Act.
- 1.30 In addition, the Capital Gains Tax exemption will be extended to investments made through approved ECF platforms, small offers and eligible companies operating under the Innovation Hub framework. These measures are intended to enhance access to finance, support entrepreneurship and foster innovation-driven economic growth.

Strengthening Skills Development & Workforce Training

- 1.31 Government has restructured the allocation of the 1 percent levy administered through the Fiji National University to strengthen workforce training and skills development initiatives. Under the revised arrangement, the allocation for the Training Grant Scheme will increase from 0.1 percent to 0.5 percent through the phased withdrawal of the Private General Practitioners (GP) Scheme. Existing resources within the GP Trust Fund will be utilised to support the transition. The revised levy structure will be as follows:
- Accident Compensation Commission Fiji (ACCF) - 0.4 percent;
 - Training Grant Scheme - increased from 0.1 percent to 0.5 percent; and
 - Fiji Learning Institute for Public Service (FLIPS) - 0.1 percent.
- 1.32 This measure is intended to enhance access to training opportunities, improve workforce capabilities and better align skills development programmes with the needs of the labour market.
- 1.33 Government will introduce an investment allowance for the establishment of new training centres and institutes. The measure is aimed at encouraging investment in skills development infrastructure, strengthening workforce capabilities and supporting the long-term human capital needs of the economy.

Development of Sports & Sporting Facilities

- 134 Government will align the tax incentive for sponsorship of Bula FC with that available for Fijian Drua by providing a 200 percent tax deduction for eligible sponsorship contributions. In addition, the minimum sponsorship threshold required to qualify for the deduction will be reduced from \$250,000 to \$100,000, enabling greater participation in supporting national sports development.
- 135 Further support for the development of sports infrastructure will be provided through a 150 percent tax deduction for expenditure incurred in the construction of new sporting facilities, including gyms and other approved sports development infrastructure. This measure is intended to encourage private sector investment in sports and recreational facilities and promote healthier and more active communities.

Consumer Protection and Cost of Living Measures

- 136 Government will introduce a range of consumer protection and cost-of-living measures aimed at improving affordability, strengthening market oversight and ensuring that the benefits of duty reductions are passed on to consumers. These measures will support household welfare, promote fair market practices and enhance consumer confidence. Key measures include:
- Reduction in the fiscal duty rate on flavoured milk from 32 percent to 15 percent;
 - Reduction in the fiscal duty rate on plant-based food preparations from 32 percent to 0 percent;
 - Reduction in the fiscal duty rate on surveillance cameras from 5 percent to 0 percent;
 - Reduction in the fiscal duty rate on aluminium structures, including doors, windows and similar building materials, from 32 percent to 15 percent;
 - Reduction in the fiscal duty rate on imported PVC boards from 32 percent to 15 percent to lower construction and renovation costs;
 - Development of a framework by the Price Monitoring and Enforcement Taskforce (PMET) for protected industries to ensure that the benefits of Government support measures are passed on to consumers through appropriate pricing practices, margins and other regulatory mechanisms; and
 - Undertaking a detailed study on shrinkflation to strengthen consumer awareness and inform future policy responses.

Targeted Expenditure Measures

Supporting Social Welfare Recipients, Government Pensioners and Vulnerable Households

137 A total of \$183.9 million has been allocated in the 2026-2027 Budget to support the implementation of key social protection programmes that provide essential assistance and a social safety net for poor and vulnerable individuals. These programmes are expected to benefit more than 108,000 recipients and include the following:

- Family Assistance Scheme - \$38.3 million;
- Child Protection Allowance - \$18.4 million;
- Social Pension Scheme - \$86.2 million;
- Allowance for Persons with Disability - \$18.5 million;
- Transport Assistance Scheme - \$22.0 million; and
- Food Allowance for Rural Pregnant Mothers - \$0.5 million.

138 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.

Back to School Assistance

139 Government will continue with the \$200 Back-to-School Assistance for all eligible students in the 2027 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 \$171.7 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;
- 2025 School Year – \$42.7 million paid to 213,520 students; and
- 2026 School Year – \$41.8 million paid to 208,764 students.

Education

140 The Ministry of Education is allocated a total budget of \$708.3 million in FY2026-2027. For free education grant, a sum of \$3.0 million is budgeted for Early Childhood Education (ECE) while \$30.3 million and \$30.5 million are allocated for primary and secondary education, respectively.

141 In addition, students with blue and yellow cards, including Rural Service Licence (RSL) operators will be supported in the 2026-2027 Budget with an increased allocation of \$54.0 million.

Tertiary Scholarships Scheme

1.42 A sum of \$160.0 million has been allocated to Tertiary Scholarships and Loans Service (TSLS) in FY2026-2027 for numerous scholarship schemes and trainings and to fund 23,137 students of which 14,037 are continuing students and 9,100 are new students. Outlined below is the list of major TSLS schemes for FY2026-2027:

- National Distinction Scholarship (Local Scheme) - \$30.6 million;
- National Distinction Scholarship (Overseas Scheme) - \$11.7 million;
- National Achievement Scholarship Scheme (Skills Qualification) - \$24.9 million;
- National Achievement Scholarship Scheme (Higher Education) - \$76.7 million;
- National Achievement Scholarship Scheme (Higher Education Rural Remote and Maritime) - \$2.2 million;
- Hardship Assistance Scheme - \$10.8 million; and
- Inservice Study Loan Scheme - \$1.1 million.

Health and Medical Services

Health Services

1.43 ***Allocation for the Ministry of Health*** - A sum of \$476.9 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 ***CWM Hospital Redevelopment Project*** - Australia and Fiji will work in close partnership to advance the development of a new national tertiary hospital. Significant progress has been made on the Preliminary Master Plan following the completion of key foundational studies, including the Clinical Services Plan, which establishes the long-term vision for healthcare service delivery, models of care and workforce requirements, and the Site Selection Report. Following Cabinet's endorsement, Valelevu Ground has been selected as the site for the new national tertiary hospital, while work continues on the Preliminary Master Plan. A sum of \$8.0 million is allocated in the 2026-2027 Budget.

1.45 ***Pacific Healthy Islands Transformation Project (PHIT)*** - As part of the planning process, site inspections were undertaken near the Colonial War Memorial Hospital for the proposed radiotherapy centre under the World Bank-funded PHIT Project. Collaboration between Australia and the World Bank on the early feasibility and design work is expected to accelerate project

delivery and ensure integration with the broader national hospital master plan. Consultations with clinicians have also helped identify clinical service priorities, infrastructure requirements and staging considerations to support the development of the Preliminary Master Plan. A sum of \$36.9 million is allocated for this project in the 2026-2027 Budget.

- 1.46 ***Health Public Private Partnership*** - A total of \$120.0 million is allocated in the 2026-2027 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.
- 1.47 ***Kidney Dialysis Subsidy & Sai Prema Hospital Grant*** - To cater for the increasing demand, Government has maintained the kidney dialysis subsidy at \$4.7 million for services provided by various treatment services providers. An operating grant of \$3.5 million will also be allocated for Sai Prema Hospital, which delivers life-saving cardiac care for children under a PPP arrangement.
- 1.48 ***Upgrade and Maintenance of Hospitals*** - Around \$5.2 million is allocated for the maintenance of health facilities. Of this, \$3.9 million is allocated for the upgrade of urban hospitals while the remaining \$1.3 million is for the upgrade and maintenance of sub divisional health centres and nursing stations.

Infrastructure

- 1.49 Government will continue to invest in the development and maintenance of infrastructure, public utilities and national assets to enhance the quality and resilience of essential services, improve connectivity, and facilitate greater access to markets and economic opportunities.

Roads, Bridges and Jetties

- 1.50 ***Ministry of Public Works*** - a total budget of \$820.8 million is provided to the Ministry of Public Works in the 2026-2027 Budget.
- 1.51 ***Fiji Roads Authority*** - In FY2026-2027, Fiji Roads Authority (FRA) is provided a funding of \$369.8 million to cater for the following:
- Road maintenance - \$118.2 million;
 - Road renewals, replacement and resealing - \$76.6 million;
 - Bridge renewals and crossing replacements - \$35.0 million;
 - New sealing and upgrading of community and rural roads, which includes tar sealing of Kavanagasau Road - Phase 1 (Sigatoka),

Namaqumaqua Road (Navua), planned unsealing of Vutia Road and construction of a 100m bridge (Rewa), Nasauvakarua Access Road (Sigatoka), Tubenasolo Village Access Road (Nadi), and rural access roads in the North - \$25.8 million; and

- Construction of new bus shelters along the Queens and Kings Roads, as well as footpaths - \$14.9 million.

1.52 To address traffic congestion on major urban road networks and improve the efficiency of road transport, Government has allocated \$20.0 million in the 2026-2027 Budget. Of this amount, \$15.2 million is provided for the widening of Ratu Dovi Road, the construction of the Extension Street Bypass, and upgrades to Ratu Sukuna Road.

1.53 In addition, \$4.6 million has been allocated for feasibility and design studies for future road widening projects along the Delainavesi-Veisari corridor, Veikoba-Laqere corridor, Princess Road, and the Naisoso-Navutu section of the Nadi-Lautoka corridor. These investments reflect Government's commitment to improving traffic flow, reducing travel times, enhancing connectivity and supporting economic activity through a more efficient and resilient road network.

1.54 A total of \$3.2 million has been allocated for the maintenance of key jetty infrastructure, including facilities at Ellington, Savusavu, Taveuni and Rabi, as well as preparatory works to facilitate the construction of the Vunikura Jetty. In addition, an inter-island jetty feasibility study will be undertaken during FY2026-2027 to identify potential new jetty sites and enhance maritime connectivity between islands. Government, with support from the Asian Development Bank (ADB), has also completed detailed designs for the rehabilitation and upgrading of the Nabouwalu, Natovi and Savusavu jetties. These investments will strengthen inter-island transport services, improve accessibility for maritime communities and support economic and social development through enhanced connectivity across Fiji.

1.55 Civil works are expected to commence in the FY2026-2027 for the replacement of four critical bridges: the Lami Bridge at Suvavou, Medraukutu Bridge near the Lami Cement Factory, Sabeto Bridge, and Viseisei Bridge linking Nadi and Lautoka. A total of \$41.5 million has been allocated for these works, supported through a combination of grant financing and concessional loans from the ADB and the World Bank. In addition, work is underway to complete the detailed designs for six priority bridge replacement projects, including the Sawani, Namotomoto, Lomolomo and Labasa bridges, which are planned for implementation in the next phase.

1.56 These bridges are vital components of Fiji's transport network, providing critical connectivity between major towns and cities along the Queens

Highway. The replacement programme is designed to ensure that these strategic assets are resilient, future-ready and capable of supporting long-term economic growth. The new bridge designs incorporate wider spans, increased load-bearing capacity and enhanced climate-resilient features to improve safety, reliability and resilience against the impacts of natural disasters and climate change.

- 1.57 Improving rural connectivity remains a key priority of Government, with significant investments being made to enhance access, mobility and economic opportunities in rural and maritime communities. In partnership with the Government of China, approximately 82 kilometres of rural roads will be upgraded and 22 bridges constructed along strategic corridors, including the Nabouwalu, Wailevu West Coast and Natewa West roads, at an estimated cost of \$300.0 million. These improvements will provide safer and more reliable access to markets, health services and educational facilities, benefiting 61 villages and 15 schools while supporting inclusive economic development and improving the quality of life for rural communities.
- 1.58 Government is also working closely with the Asian Infrastructure Investment Bank (AIIB) to strengthen the climate resilience of rural road infrastructure. Following the completion of a diagnostic study assessing institutional arrangements, funding requirements and project implementation frameworks, approximately \$6.5 million in grant has been secured from the AIIB to undertake detailed feasibility studies for priority rural road projects. This initiative will support the development of resilient infrastructure capable of withstanding the increasing impacts of climate change and natural disasters.

Water & Wastewater

- 1.59 The Water Authority of Fiji (WAF) is allocated \$290.6 million in FY2026-2027 to upgrade water & wastewater infrastructure, treatment plants, reticulation systems and reduce non-revenue water which is detailed below:
- ***Water programme*** - A total of \$81.4 million has been allocated to the Water Programme in FY2026-2027 to support the continued upgrade and expansion of Fiji's water infrastructure. Key investments include \$7.0 million for civil works and the installation of a new 20-megalitre package treatment plant at the Tamavua Water Treatment Plant. Scheduled for completion by June 2027, the project is expected to enhance water supply reliability and service delivery for approximately 150,000 people residing along the Suva-Togalevu corridor;
 - ***Installation of new water mains & construction of pump station*** -A total of \$11.0 million has been allocated for the installation of 11.73 kilometres of new water mains, the construction of a modern pump

station and two 5-megalitre reservoirs to improve water supply reliability and service delivery. The project is expected to be completed by June 2027 and will benefit approximately 14,000 residents in Saweni, Colo-i-Suva and Khalsa Road;

- **Realignment of pipelines** - To meet growing demand for safe and reliable water services in the greater Suva area, an additional \$1.2 million has been allocated for the realignment of the pipeline from the Savura Pump Station to the Tamavua Water Treatment Plant, while \$2.0 million has been provided for Phase 2 of the Viria Water Treatment Plant expansion, increasing treatment capacity from 40 megalitres to 80 megalitres per day. Collectively, these investments will strengthen water security and improve service delivery for an estimated 244,000 people across the Suva-Nausori corridor;
- **Upgrade of wastewater infrastructure** - A sum of \$15.8 million has been allocated to upgrade and strengthen wastewater infrastructure across the country. Priority investments in the 2026-2027 Budget include the upgrading of wastewater infrastructure on Denarau Island, improvements to the Pacific Harbour Wastewater Treatment Package Plant, and enhancements to localised wastewater treatment plants, pump stations and associated distribution systems; and
- **Rural Water Supply** - A sum of \$10.5 million is provided to maintain and increase rural water supply across Fiji.

1.60 To address growing water security and wastewater management challenges, Government is partnering with the ADB on the \$300.0 million Healthy Oceans and Water Security Improvement Project (HOWSIP), to be implemented over a four-year period. The project aims to double the treatment capacity of the Kinoya Wastewater Treatment Facility to 36,000 cubic metres per day, reduce non-revenue water losses from 50 percent to 20 percent, improve coastal and marine health, and strengthen water security through the adoption of energy-efficient systems and climate-resilient infrastructure. In FY2026-2027, \$28.1 million has been allocated towards the project, supported through a combination of grants and concessional financing from the ADB.

1.61 As part of this Project, the WAF will establish a regional Water Academy to strengthen technical and vocational skills development in the water and wastewater sector. The initiative will provide training opportunities for Fijians and Pacific Islanders, equipping them with the competencies required to manage and operate water supply and wastewater systems effectively. The project will also support the establishment of a regional training hub for water utility operators in Lautoka, with programmes that are regionally accredited and aligned to industry standards. Funded through a \$10.0 million grant from the ADB's Asian Development Fund thematic window for regional cooperation and integration, this initiative will enhance workforce capability,

promote knowledge sharing across the Pacific and create new pathways for skills development in the water sector.

- 1.62 Government will continue with the provision of free water for households with an income of \$30,000 and below.

Energy

- 1.63 EFL continues to play a critical role in supporting Fiji's economic development, energy security and transition to a more sustainable energy future. To advance Fiji's renewable energy and energy security objectives, EFL is progressing an investment programme valued at approximately \$2.0 billion, representing one of the largest infrastructure development initiatives undertaken in the country.

- 1.64 The programme includes the development of two new hydropower schemes with a combined capacity of 50 megawatts of renewable baseload generation, approximately 165 megawatts of solar generation supported by battery energy storage systems, major electricity grid upgrades and the replacement of aging infrastructure. These investments will contribute towards Fiji's target of increasing renewable energy generation to 60 percent in the medium term and 90 percent by 2035, while reducing reliance on imported fuel and strengthening long-term energy resilience.

- 1.65 Recognising the strategic importance of these investments, Government will continue to support EFL in accessing affordable financing and climate investment capital to facilitate the implementation of these projects and help moderate long-term electricity costs for consumers.

Rural & Maritime Development

- 1.66 The Ministry of Rural and Maritime Development is allocated \$35.4 million in the 2026-2027 Budget to support basic infrastructure projects such as access to clean water, roads, footpaths & bridges, sanitation, rural housing and other community development projects.

- 1.67 A total of \$2.2 million has been allocated for the construction and retrofitting of evacuation centres to strengthen community resilience and disaster preparedness. Under this programme, Government will fund two-thirds of the project cost, with beneficiaries contributing the remaining one-third. In addition to serving as safe shelters during emergencies, these facilities provide valuable social and economic benefits to communities during normal times.

- 1.68 To support the continued delivery of development initiatives in rural and maritime communities, Government has allocated \$2.9 million in the 2026-

2027 Budget for the Rural and Outer Islands Programme. This funding will assist in improving access to essential infrastructure and services, while supporting livelihoods and economic opportunities in underserved areas.

- 1.69 Government has also allocated a sum of \$1.3 million in the 2026-2027 Budget to support the continuation of Grant to Self-Help projects, which aims to empower local communities by enabling them to take the lead in identifying and implementing projects that address their specific development needs.

Agriculture and Waterways

- 1.70 The Ministry of Agriculture, Waterways and Sugar Industry is allocated \$221.0 million in the 2026-2027 Budget. Some major programmes under the Ministry include:

- Committee for Better Utilisation of Land (CBUL) programme - \$6.9 million;
- Farm Mechanisation - \$2.0 million;
- Crop Research & Extension - \$46.0 million;
- Fertiliser & Weedicide Subsidy (Dalo, Ginger, Cassava, Yaqona, Tumeric and other Vegetables) - \$3.0 million;
- Dairy & Beef Sector Development Programme - \$6.0 million;
- Commercial Agriculture Development Programme - \$3.0 million;
- Yaqona Farming Programme - \$2.0 million;
- Dalo Farming Programme - \$1.0 million;
- Farm Access Road - \$4.0 million;
- Livestock Research and Extension Services - \$20.0 million;
- Agricultural Marketing Authority - \$3.9 million;
- Navuso Agriculture Technical Institute and Tutu Training Centre - \$3.3 million; and
- Upgrade and enhancement of agricultural offices and quarters - \$1.8 million.

- 1.71 A total budget of \$23.0 million is provided in FY2026-2027 for river dredging and clearing of waterways across the country. Major programmes include the following:

- Land Drainage and flood protection - \$3.2 million;
- Dredging of major Rivers - \$5.5 million;
- Watershed Management - \$2.0 million;
- Coastal Erosion Protection Works - \$1.5 million;
- Drainage of Farmlands - \$1.5 million;
- Drainage of Rural Residential Areas - \$1.5 million; and
- Drainage Board - \$3.3 million.

1.72 ***Nadi Flood Alleviation Project*** - In addition, Government has allocated \$3.0 million towards the Nadi Flood Alleviation Project in the 2026-2027 Budget. The project aims to strengthen flood mitigation measures, reduce the vulnerability of communities and businesses to flood events, and enhance the resilience of critical infrastructure in the greater Nadi area.

Sugar

1.73 Government has allocated \$96.3 million in the 2026-2027 Budget to support the sugar industry. This is to cater for weedicide and fertiliser subsidy, sugar stabilisation fund, cane access roads, Fiji Sugar Corporation (FSC) working capital support and assistance to farmers.

1.74 Despite continued challenges arising from declining global sugar prices, Government remains firmly committed to supporting the sugar industry and safeguarding the livelihoods of cane farmers across the country. In FY2026-2027, \$41.6 million has been allocated for the cane top-up payment programme. This allocation supports the Government-guaranteed cane price of \$85 per tonne and provides income stability for cane farmers.

1.75 Additional support of \$29.7 million has been provided through a range of industry assistance programmes, including the Fertiliser and Weedicide Subsidy, Cartage Subsidy, Cane Access Roads Programme and the Cane Planting Grant. Government has also introduced new initiatives aimed at improving productivity and encouraging greater participation in the sector, including the Farm Mechanisation Programme, Farm Incentive Programme, New Farmers Programme and Lease Premium Assistance Programme.

1.76 Government continues to support the financial sustainability of the sugar industry through the repayment of the defaulted loan of US\$32.7 million secured by the FSC in 2005 from the Export-Import Bank of India. Under the five-year repayment arrangement from December 2024 to December 2028, Government has allocated \$18.0 million annually to meet the repayment obligations and ensure the continued stability of the industry.

Fisheries

1.77 The Ministry of Fisheries is provided a total budget of \$28.4 million in FY2026-2027. This includes the following programmes:

- Upgrade of Offices and Quarters - \$2.0 million;
- Tuna Development Fund - \$5.0 million;
- Construction of Koro Fisheries Station - \$0.7 million;
- Establishment of Matakunea Fisheries Station - \$0.3 million; and
- Commercial Aquaculture Development Grant - \$0.7 million.

Forestry

1.78 A total funding of \$25.7 million is provided to the Ministry of Forestry in the 2026-2027 Budget to cater for the following projects:

- Maritime Pine Development - \$1.5 million;
- Commercial Maritime Subsidy - \$2.5 million; and
- Fiji Pine Trust -Extension - \$3.7 million.

Empowering our Indigenous Communities through Targeted Support and Incentives

1.79 Government is strongly committed to promoting indigenous Fijians in education, employment, business and overall economic development and has therefore allocated a sum of \$33.1 million to the Ministry of i-Taukei Affairs in FY2026-2027. Government remains committed to advancing the social and economic development of indigenous Fijians through targeted investments in education, employment, entrepreneurship and community development initiatives. Some major programmes under the Ministry of i-Taukei Affairs include:

- Operating grant for the Provincial Councils - \$7.2 million;
- i-Taukei Affairs Board operating grant - \$3.2 million;
- i-Taukei Resource Owners Support and Development Fund - \$3.8 million;
- Turaga-ni-Koro allowance - \$2.8 million;
- Mata-ni-Tikina allowance - \$0.6 million;
- Village Improvement Scheme - \$1.3 million; and
- Centre for Appropriate Technology and Development operating & capital Grant - \$2.9 million.

Multi-Ethnic Affairs

1.80 The Ministry of Multi-Ethnic Affairs is provided with a total budget of \$15.2 million for the promotion of social cohesion, cultural development, installation of gas-fired crematoriums, associated infrastructure for dignified funeral services, digitisation and preservation of Girit records, expanded grants for community-based organisations and commemoration of significant cultural event such as and Girit day celebrations.

Housing Programmes

- 1.81 In FY2026-2027, a total of \$10.0 million is provided for the formalisation of 9 informal settlements in Tore, Field 4, Valewaquyaya, Sakoca, Vuniika, Nabare, Delaisaweni, Lovu seaside and Caubati.
- 1.82 Around \$1.3 million has also been allocated for the Relocation and Resettlement of Informal Settlements and \$0.5 million is allocated to Habitat for Humanity-Greenfield project. This project will assist the Ministry of Housing to relocate and resettle 1,200 households evicted from Veidogo, Nabua Muslim League and Kilikali. Funding will cater for planning and civil works at Koronivia and Mokosoi Greenfields.
- 1.83 A sum of \$3.1 million is allocated to support first home buyers in the 2026-2027 Budget. Government has approved a revised structure for the First Home Ownership Assistance Programme to enhance housing affordability for low- and middle-income households, as follows:
- i. **Category 1**, households earning \$30,000 or less, including those displaced from informal settlements such as Veidogo, Nabua Muslim League and Kilikali, will be eligible for grants of up to \$40,000 for home construction and \$30,000 for home purchase; and
 - ii. **Category 2** has been revised to target households earning between \$30,001 to \$60,000. Under this category, the home purchase grant has been increased from \$5,000 to \$15,000, while the home construction grant remains at \$20,000. Households earning above \$60,000 will no longer be eligible for assistance, ensuring that Government resources are more effectively targeted towards those with the greatest housing needs.

Termite Control Assistance Programme

- 1.84 Government has allocated a sum of \$2.9 million in the 2026-2027 Budget for the termite subsidy and national termite control assistance programme.

Strengthening National Security, Law Enforcement and Responding to Drugs & HIV Epidemic

Republic of Fiji Military Forces

- 1.85 The Republic of Fiji Military Forces (RFMF) remains central to safeguarding Fiji's sovereignty, security and national interests, while contributing actively to regional and global peacekeeping and security efforts. Through the adoption of modern technology, innovative strategies and enhanced professional capability, the Force continues to adapt to evolving security challenges and emerging threats.

1.86 In FY2026-2027, the RFMF has been allocated a total budget of \$152.6 million, comprising \$145.4 million for operating expenditure and \$7.2 million for capital expenditure.

1.87 A key priority of the 2026-2027 Budget is to strengthen Fiji's capacity to combat transnational crime, particularly through the RFMF's role in the Joint Counter Narcotics Task Force. Accordingly, the following targeted budget allocations have been made to support operational readiness, strengthen enforcement capabilities and enhance the effectiveness of national efforts to address illicit drug trafficking and related criminal activities:

- \$1.6 million for fuel and oil to support naval patrols, strengthening maritime surveillance and border protection;
- \$1.5 million for the Maritime Essential Service Centre to boost monitoring capability and coordinated patrols;
- \$300,000 for modern communication equipment to improve command, control, and inter-agency coordination; and
- \$50,625 for Humanitarian Assistance and Disaster Relief (HADR) stores to support joint operations and emergency response.

1.88 To sustain operational readiness and strengthen national security capabilities, the 2026-2027 Budget prioritises key infrastructure investments within the RFMF. This includes an allocation of \$2.5 million for the initial construction of a Joint Logistics Command Warehouse at Bayview Heights, which will enhance centralised storage, logistics management and emergency response capabilities. In addition, \$150,000 has been allocated for the establishment of a Forward Operating Base in Malau, Vanua Levu, to strengthen naval presence and improve rapid response capacity in the Northern Division.

Fiji Police Force

1.89 The Fiji Police Force plays a critical role in maintaining law and order, ensuring public safety and security, and protecting the wellbeing of all Fijians. Government continues to provide sustained support to the Force to enable the effective delivery of its core functions, including crime prevention, law enforcement, community policing and emergency response services.

1.90 In FY2026-2027, the Fiji Police Force has been allocated a total budget of \$221.5 million, comprising \$214.8 million for operating expenditure and \$6.7 million for capital expenditure. Government has also reprioritised funding to strengthen the operational capabilities of the Fiji Police Force through the acquisition of critical communication and forensic equipment. Investment will also continue towards the installation of Closed-Circuit Television

(CCTV) cameras along the Suva-Nausori Corridor, with the project expected to be completed during the new financial year.

- 1.91 To strengthen efforts to combat the growing drug threat, the Fiji Police Force has been allocated an increased budget provision of \$1.5 million for specialised drug operations in the 2026-2027 Budget. This funding will support targeted enforcement activities aimed at disrupting the illicit drug trade and reducing drug-related crimes.
- 1.92 The Fiji Police Force will also continue to undertake joint operations with the RFMF to strengthen law enforcement efforts, enhance operational effectiveness and reinforce Government's commitment to addressing the drug crisis facing the country.

Measures to Mitigate HIV Epidemic

- 1.93 Government remains committed to addressing the HIV epidemic and has allocated a sum of \$11.9 million of which \$5.4 million is provided by New Zealand Ministry Foreign Affairs and Trade (NZMFAT) in the 2026-2027 Budget to support a comprehensive response, including expanded testing, prevention efforts, public awareness campaigns, and measures to control the spread of HIV.

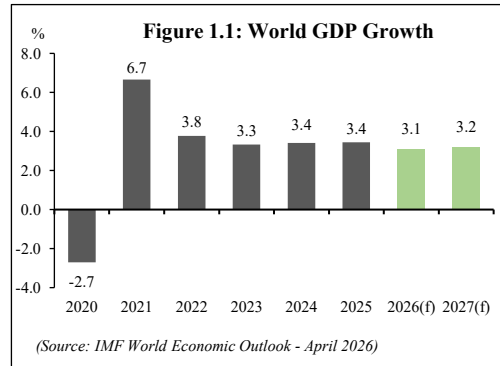
For further details on Tax Policy Measures, refer to **Chapter 9 of this document.*

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.

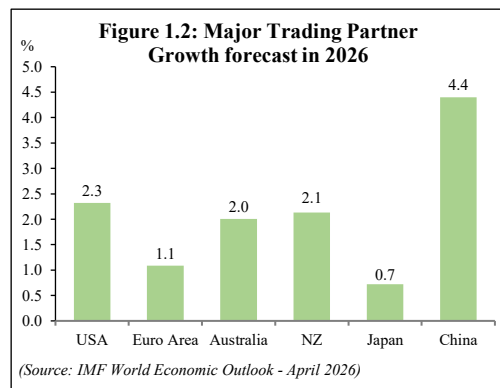
International Economic Performance and Outlook

- 2.2 In its April 2026 World Economic Outlook, the International Monetary Fund (IMF) is now projecting global growth to slow to 3.1 percent in 2026,¹ down from the 3.3 percent projected in January 2026, before edging up to 3.2 percent in 2027 (unchanged from the January 2026 forecast) (**Figure 1.1**). The downgraded forecast reflects heightened downside risks, including a prolonged Middle East conflict, rising geopolitical fragmentation, weaker-than-expected AI-driven productivity gains, and possible renewed trade tensions. In addition, high public debt particularly in economies whose currencies and securities play a central role in international financial markets may tighten broader financial conditions, while declining institutional credibility further increases vulnerabilities.



Fiji’s Trading Partners

- 2.3 Most of Fiji’s major trading partners are expected to experience modest growth in 2026, with the exception of China. (**Figure 1.2**). The US economy grew annually by 2.0 percent in Q1 2026, driven by stronger investment, exports, and government spending, despite rising energy prices from the US-Iran conflict. The IMF projects that the US economy will grow by 2.3 percent in 2026, representing a 0.2 percentage point increase from 2025.



¹ The forecast assumes a short-lived Middle East conflict with crude oil prices averaging to US\$82 per barrel in 2026; a longer or more adverse disruption could result in higher energy prices and weaker global growth outcomes (2.5% in 2026).

Annual inflation rose to 4.2 percent in May, up from the 3.8 percent in April, reflecting broad-based price increases. Core inflation edged up from 2.8 percent to 2.9 percent, remaining above the US Federal Reserve's (Fed) preferred 2.0 percent target rate. The Fed's April decision to keep rates unchanged at 3.50-3.75 percent reflects its concern over elevated inflation, especially from higher energy costs, and its priority of returning inflation to target without undermining employment.

- 24 The **Eurozone** economy expanded annually by 0.8 percent in the March quarter, after registering a 1.2 percent in the final quarter of 2025. Inflationary pressures have risen due to the war in Iran, which has pushed the annual inflation rate to 3.2 percent in May and above the European Central Bank's (ECB) target of 2.0 percent. As such, the ECB raised its key policy rates for the first-time this year in June, by 25 basis points to 2.4 percent. Growth is forecast² at 1.1 percent in 2026 before picking up to 1.2 percent in 2027, while headline inflation is expected to pick up from 2.1 percent in 2025 to 2.6 percent in 2026 before moderating in 2027 to 2.2 percent.
- 25 The **Australian** economy is forecast to maintain its growth of 2.0 percent in 2026. This is supported by improved real incomes fuelling steady growth in consumption, amid the Government's endorsed increase in national wage rate by 4.75 percent (effective from 1 July 2026). Annual headline inflation eased slightly to 4.2 percent in April, down from 4.6 percent noted in March 2026. The largest contributors of this decrease being from housing, transport and food and non-alcoholic beverages. While inflation is expected to moderate gradually over the medium term, it remains above the Reserve Bank of Australia's (RBA) target range of 2-3 percent, with inflationary risks skewed to the upside if geopolitical tensions persist. To bring inflation at the target band, the RBA tightened its monetary policy three times in 2026, bringing the cash rate to 4.35 percent in May.
- 26 In 2025, the **New Zealand** economy grew moderately by an annual 0.2 percent following the -0.3 percent annual contraction in 2024. The modest growth was driven by expansion in the primary sector, particularly mining and the broader services sector. However, the outlook faces downside risks stemming from the Middle East conflict, with the IMF projecting modest growth of 2.1 percent in 2026. March-quarter inflation data steadied at 3.1 percent (y-o-y), driven by higher electricity, local council rates, and meat and poultry prices. The Reserve Bank of New Zealand (RBNZ) held the official cash rate at 2.25 percent in May, marking its third consecutive decision to keep rates unchanged this year. The central bank highlighted its focus on keeping inflation under control while avoiding unnecessary economic swings. The RBNZ signalled that interest rates are likely to rise in coming meetings to ensure inflation returns to the 2 percent target, with the pace of increases

² All economic growth forecast is sourced from the April 2026 edition of the IMF WEO.

depending on the relative influence of persistent wage and price-setting behaviour versus weaker economic activity on medium-term inflation pressures. Additionally, inflation is expected to peak at 4.3 percent in the September quarter before returning to the 2.0 percent target by mid-2027.

- 2.7 The **Japanese** economy is forecast to grow by 0.7 percent in 2026, moderating from 1.2 percent recorded in 2025. This growth reflects projections of increased corporate investment and private consumption supported by strategic fiscal measures³ to alleviate impacts of rising living costs and boost market activity. Meanwhile, Japan's annual inflation rate edged down to 1.4 percent in April 2026 from 1.5 percent in the month prior. This reflected a slowdown in price growth in food, transport and housing costs. In May, the Bank of Japan (BoJ) maintained caution, holding its short-term policy rate at 0.75 percent as it continued to monitor the impact of geopolitical tensions and rising energy prices.
- 2.8 The **Chinese** economy registered a strong annual growth of 5.0 percent in quarter 1 of 2026, after a 4.5 percent growth in quarter 4 of 2025. It is forecast to expand by 4.4 percent in 2026 reflecting continued growth momentum, lower effective US tariff rates, and strong stimulus measures against global headwinds. In May, inflation was at 1.2 percent, below the People's Bank of China (PBOC) target of 2.0 percent with the outlook for 2026 being 1.2 percent. Subsequently, PBOC maintained its key lending rates in May, with the 1 and 5 year loan prime rates maintained at 3.0 percent and 3.5 percent, respectively, as the central bank has pledged to keep a supportive and moderately loose stance to support growth amidst weak economic data and the global supply disruption linked to the conflict in Iran.

Domestic Economic Performance and Outlook

- 2.9 Fiji's economic performance since the COVID-19 pandemic has been characterised by a sharp rebound followed by a gradual normalisation of growth. After experiencing a severe contraction of 17.2 percent in 2020, the economy rebounded strongly as borders reopened in December 2021 and tourism resumed, with growth reaching 17.7 percent in 2022.
- 2.10 The recovery momentum continued into 2023, as the domestic economy expanded further by 9.4 percent, driven largely by a strong resurgence in the services sector, particularly tourism, transport, accommodation and the wholesale & retail trade. Tourism recovery played a crucial role, as visitor arrivals surpassed pre-pandemic levels, and supported foreign exchange earnings, investment and employment creation.

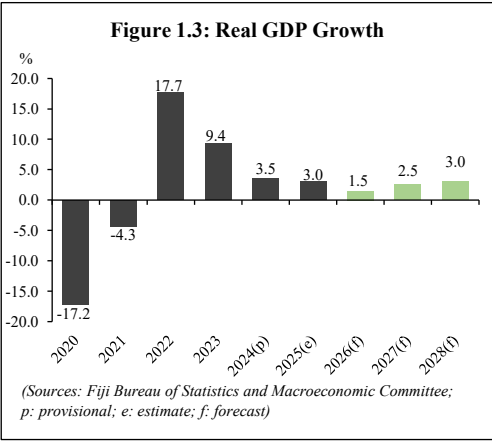
³ Key components of the fiscal stimulus include income tax reductions, lower gasoline taxes, increased child allowance and targeted investment in key export-oriented industries.

2.11 Nonetheless, as the initial rebound effects tapered off, growth began to moderate, as the economy expanded by 3.5 percent in 2024, a more broad-based but slower expansion. This moderation continued into 2025 with the economy now expected to have expanded by around 3.0 percent (**Figure 1.3**), supported by private consumption, remittance inflows, construction activity and steady tourism flows.

2.12 Overall, growth over the past three years has been underpinned by tourism recovery, strong remittance inflows, expansion in private and public investment as well as through supportive macroeconomic policies including fiscal stimulus and accommodative monetary conditions during the recovery phase. At the same time, growth has been uneven across sectors. While services rebounded strongly, sectors such as mining, sugar and manufacturing faced ongoing structural and production challenges. External pressures have raised import costs, with these effects passing through to higher domestic prices and increased cost-of-living pressures for households and businesses.

2.13 At the same time, structural constraints have become more pronounced, particularly labour shortages driven by outward migration, leading to widespread skills shortages across key sectors, higher wages and rising operating costs without corresponding productivity gains. Emerging social and public health issues, including rising incidence of non-communicable diseases (NCDs), HIV and drug use, are also placing additional strain on labour productivity and public resources. These challenges have been further compounded by limited fiscal space following pandemic support measures and requires a careful balance between fiscal consolidation and targeted relief.

2.14 More recently, Fiji’s growth trajectory has been increasingly shaped by external headwinds and downside risks have intensified amid escalating geopolitical tensions, persistent global inflation and ongoing disruptions to global supply chains. These developments have increased Fiji’s vulnerability as a small, net importer, particularly through higher import costs and rising cost-of-living pressures.



2.15 In 2026, these risks have escalated further with the Middle East conflict, especially disruptions affecting the Strait of Hormuz, a critical global oil supply route. This has triggered a sharp rise in global oil prices, freight costs and supply chain pressures which spill over to higher import costs, elevated energy prices, increased production expenses and renewed upward pressure

on domestic inflation. Additionally, tourism risks are emerging due to higher airfares and energy security concerns, which can potentially dampen travel demand from key source markets. In light of these developments, economic growth is projected to slow to 1.5 percent in 2026 from an earlier projection of 3.0 percent, with inflation and cost pressures weighing on investment and consumption.

- 2.16 Nonetheless, growth is projected to gradually recover to around 2.5 percent in 2027. The pace of recovery is expected to remain modest, reflecting lingering spillover effects from recent disruptions. Continued global supply chain adjustments and logistics constraints are likely to sustain inflationary pressures and reshape trade dynamics. At the same time, uneven sectoral recovery and mixed labour market conditions, particularly in agriculture, transport and manufacturing, are expected to weigh on demand, resulting in a subdued and uneven recovery in economic output.
- 2.17 By 2028, growth is forecast to stabilise around its long-term trend of 3.0 percent, driven primarily by the services sector and supported by gradual improvements in industrial and primary sectors, although risks remain tilted to the downside.

Recent Trend in Tourism, Consumption and Investment Activity

- 2.18 Fiji's tourism sector remained relatively resilient, building on the record 986,367 arrivals noted in 2025. In the first quarter of 2026, visitor arrivals increased by 7.0 percent, supported by stronger inflows from Australia and New Zealand and sustained growth from the US. However, some moderation in tourism activity has been observed, with arrivals in the months of April and May declining by 0.8 percent and 1.4 percent on a year-on-year basis, respectively, easing cumulative growth to 3.1 percent in the first five months of 2026.
- 2.19 Consistent with the broader external risks, the outlook for tourism has become more uncertain. In particular, the ongoing Middle East crisis, through its impact on fuel prices, airfares and overall travel sentiment, presents downside risks. These factors are expected to place increasing pressure on travel demand and may moderate the pace of growth in visitor arrivals over the remainder of the year. Consequently, visitor arrivals growth has now been revised down to 1.7 percent from an earlier forecast of 2.0 percent for 2026.
- 2.20 Partial indicators for consumption in the first four months of 2026 point to a moderation in household spending activity. This is reflected in a decline in total new loans for consumption (cumulative to April: -9.7 percent) and a contraction in imports of food & live animals (-2.7 percent) over the first quarter of the year. In addition, the RBF's latest retail sales survey suggests a

softening in business expectations, with firms anticipating retail sales growth of 2.0 percent for 2026, notably lower than the 6.8 percent projected in the August 2025 survey. Together, these trends indicate weakening consumer demand, consistent with rising cost pressures and increased economic uncertainty.

221 On the other hand, investment activity remained positive, supported by increased investment lending and import of construction materials, with some moderation in building material prices. Cumulative to April 2026, new investment lending rose significantly by 78.6 percent to \$532.7 million (an increase of \$234.5 million) compared with the same period in 2025. This growth was broad-based, driven mainly by higher lending to the real estate (89.6 percent) and building & construction (90.3 percent) sectors, as well as continued uptake in lending to private individuals for second homes (13.4 percent). Consistent with these trends, construction-related imports also rose (12.6 percent to \$1,368.7 million) cumulative to March, pointing to sustained demand for capital goods. At the same time, building material prices fell by 2.2 percent in the March quarter, compared with an increase of 3.8 percent in the same quarter of 2025, with price reductions recorded across all categories except for wood and related materials.

222 While the RBF's latest Business Expectations Survey indicates that investment intentions remain positive, overall sentiment has moderated somewhat. This softer sentiment primarily reflects concerns over energy supply and costs and delays in project implementation due to procurement bottlenecks and regulatory challenges. These factors are expected to weigh on investment activity and pose downside risks to the economic outlook.

Labour Market Conditions

223 Labour market activity continues to expand but at a subdued rate, while productivity remains constrained by persistent skills shortages and outward migration. Formal employment registrations rose by 2.0 percent in the year to March, although job advertisements⁴ declined sharply by 24.9 percent up to April, indicating softer hiring demand. Job growth remained largely concentrated in public administration & defence, as well as wholesale & retail trade and accommodation & food services sectors. At the same time, labour supply pressures are becoming more evident. Resident departures⁵ rose by 13.2 percent up to April, reversing a 33.0 percent decline in the same period last year. Outward labour mobility also strengthened, with citizen departures increasing by 18.0 percent over the same period, compared to a 6.8 percent decline recorded a year earlier.

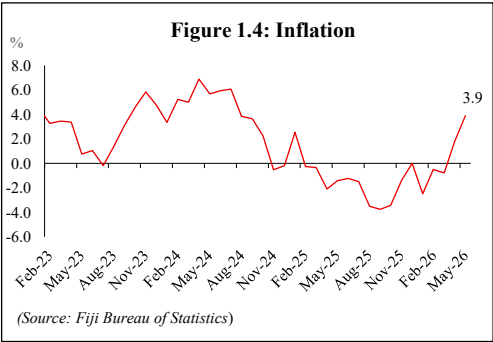
⁴ According to the RBF's Job Advertisements Survey which tracks monthly employer recruitment intentions using vacancies advertised in the Fiji Times and Fiji Sun.

⁵ Includes departures related to employment, education/training, emigration and others.

2.24 Skills gap remains a key challenge for the labour market and is increasingly reflected in rising wage pressures relative to employment growth. The latest National Skills Gap Assessment Survey by the Fiji Employers & Commerce Federation reinforces concerns over persistent skills mismatches across 95 occupational categories. Looking ahead, the latest RBF Business Expectations Survey results point to a cautious employment outlook. Continued outward migration and structural inefficiencies are expected to weigh on productivity, highlighting the need for strengthened skills development and targeted policy support to sustain labour market growth.

Inflation and International prices

2.25 The ongoing conflict in Iran and the wider Middle East continues to exert upward pressure on global energy prices and contribute to heightened uncertainty in financial and commodity markets. Brent crude oil prices remained above US\$100 per barrel for most of May due to disruptions to global energy supplies. Prices have moderated to below US\$80 per barrel in June following the peace deal with Iran however,



continued uncertainty surrounding peace agreement and regional stability presents ongoing risks to the global economic outlook. **(Figure 1.4)**

2.26 With the elevated Brent crude price, the FAO food price index also increased, with consecutive increases noted since February 2026. In April, the FAO index rose to 130.7 points (m-o-m: 1.6 percent), attributed to the increase in prices of vegetable oil, meat and cereals. Sugar prices averaged slightly higher at around US\$14.81 cents per pound in May, driven by El Niño-related supply risks, India’s export restrictions, and expectations of greater cane diversion to ethanol in Brazil amid rising fuel prices. On the other hand, gold prices in May averaged around US\$4,607.26 per fine ounce, marking a third consecutive monthly decline from levels above US\$5,000 per fine ounce in February, which coincided with the onset of the conflict in Iran.

2.27 Domestically, annual headline inflation rebounded to 1.8 percent in April 2026, following 14 consecutive months of deflation (negative inflation). This turnaround was largely driven by higher fuel prices, reflecting the domestic impact of ongoing geopolitical tensions between the US and Iran. In May 2026, inflation rose further to 3.9 percent with notable increases across alcoholic beverages and tobacco; transport; restaurants and hotels; and food & non-alcoholic beverages categories. Transport costs increased by 7.5

percent over the year, driven by elevated global oil prices amid supply constraints linked to US-Iran tensions. While targeted budget support measures are expected to partially mitigate inflationary pressures, persistent geopolitical risks are likely to keep domestic prices elevated over the remainder of the year.

- 228 Year-end inflation is now expected to be significantly higher, projected to exceed 6.0 percent, driven mainly by anticipated increases in fuel and gas prices over the remainder of 2026. Over the medium-term, notwithstanding any major shock, inflation is forecast to gradually moderate and stabilise at around 3.0 percent by 2028.

Exports

- 229 In 2026, total exports⁶ are expected to expand by 7.3 percent to \$2,718.5 million, backed by strong growth in domestic exports led by sugar, coconut oil and gold (buoyed by both higher prices and increased production) and supported by growth in re-exports of mineral fuel and other re-exports.

- 230 Total exports are forecast to expand by 1.7 percent to \$2,765.2 million and 2.3 percent to \$2,828.9 million in 2027 and 2028, respectively. The anticipated growth is in line with the expected improvement in domestic exports of gold, sugar, molasses, coconut oil and fresh fish supported by the growth in re-exports particularly fresh fish and machinery & transport equipment.

Imports

- 231 In 2026, total imports⁷ are forecast to expand by 6.9 percent to \$7,893.7 million. The major drivers of imports are mineral fuel, lubricants & related materials, owing to higher crude oil prices due to geopolitical tensions.

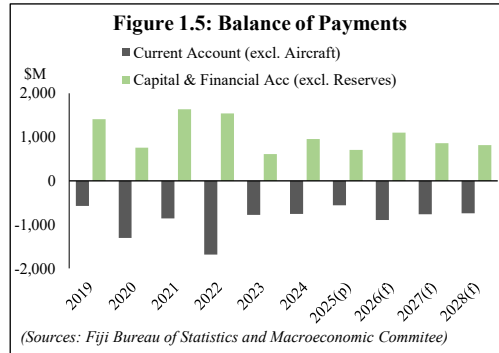
- 232 Total imports are forecast to rise by 1.4 percent to \$8,002.3 million in 2027 and 1.3 percent in 2028 to \$8,103.5 million. The increase over the medium term is led by machinery & transport equipment and animal & vegetable oils & fats. In addition, sustained momentum in the tourism sector is anticipated to bolster demand across various import categories.

⁶ All analysis on exports excludes re-exports of aircraft.

⁷ All analysis on imports excludes imports of aircraft.

Balance of Payments (BOP)⁸

233 In 2025, the current account deficit (CAD) narrowed by 26.5 percent to \$556.8 million (-4.1 percent of GDP) (Figure 1.5) from \$757.8 million in 2024 (-5.6 percent of GDP) led by improvements in the services and secondary income surpluses and lower primary income deficit, which more-than-offset the higher trade deficit. The deterioration in trade deficit was driven by higher imports combined with a slight fall in exports. The improvement in primary income deficit was attributed to higher investment income and compensation of employees as well as lower profit repatriation and Government interest payments. On the other hand, the surplus in the services account is attributed to higher tourism earnings and transport receipts, while the secondary income balance is strengthened by increased grants receipts and inward remittances. The Capital and Financial Account (excluding reserve assets) surplus declined by 25.8 percent to \$709.7 million, backed by the anticipated recovery in net Foreign Direct Investment (FDI). The overall BOP balance was positive, consequently the reserve assets marginally rose by \$2.6 million in 2025.



234 The CAD is projected to widen to \$891.0 million (-6.2 percent of GDP) in 2026, before narrowing to \$765.0 million (-5.0 percent of GDP) in 2027, and further improving to \$740.2 million (-4.6 percent of GDP) in 2028. The deterioration in 2026 is driven by higher trade deficit and the decrease in secondary income surplus (lower Government grants). In 2027, the slight improvement is primarily driven by a strong services account balance supported by higher tourism receipts, as well as narrowing primary income deficit (lower profit repatriation). In 2028, the improvement is expected to continue, underpinned by sustained growth in tourism activity, which further strengthens the service accounts surplus.

235 The Capital and Financial Account (excluding reserve assets) is forecast to increase to \$1,099.3 million (7.7 percent of GDP) in 2026 before moderating to \$857.3 million (5.6 percent of GDP) in 2027 and further decline to \$813.8 million (5.1 percent of GDP) in 2028. Net Government loan drawdowns are expected to be higher in 2026, while FDI inflows are anticipated to decline in the next two years. The overall BOP balance is projected to remain in deficit over the forecast period, resulting in a drawdown of reserve assets.

⁸ Analysis on Current Account Deficit excludes aircraft while analysis on Capital and Financial Account excludes Reserve Assets.

Consequently, reserve assets are expected to decline by \$33.7 million in 2026, \$231.8 million in 2027, and \$257.3 million in 2028.

Tourism Earnings

236 Tourism earnings continued to strengthen in 2025, increasing by 10.9 percent to \$2,813.8 million compared to 2024. The growth was underpinned by higher visitor spending from Fiji's major source markets, particularly Australia (\$118.2 million), New Zealand (\$86.2 million), the US (\$39.9 million), and Continental Europe (\$26.8 million). Although the average length of stay for holiday visitors declined from 8.5 days to 7.9 days, this was more than compensated for by a 10.8 percent increase (to \$412.9) in average daily holiday expenditure. Higher accommodation rates and stronger visitor spending contributed to the increase in tourism receipts, enabling earnings growth despite only a modest 0.3 percent increase in visitor arrivals. In 2026, tourism earnings are projected to increase by 3.7 percent to \$2,916.8 million, followed by further growth of 4.6 percent to \$3,050.3 million in 2027 and additional 4.6 percent increase to \$3,190.2 million in 2028.

Remittances

237 Total inward personal remittances increased by 2.6 percent in 2025 to reach \$1,363.2 million, reflecting continued support from Fiji's overseas diaspora and improved economic conditions in key source countries, particularly Australia and New Zealand. Remittance inflows remained resilient throughout the year, providing an important source of income for many households. Mobile money continued to be the preferred transfer channel, accounting for 54.5 percent of total inward remittances, underscoring its affordability, accessibility and convenience. Transfers through foreign exchange dealers and commercial banks accounted for 31.8 percent and 13.7 percent of total remittances, respectively. In 2026, inward remittances are projected to increase by 8.3 percent to \$1,476.3 million, followed by more moderate growth of 3.0 percent to \$1,520.6 million in 2027 and a further 3.0 percent increase to \$1,566.2 million in 2028.

Foreign Reserves

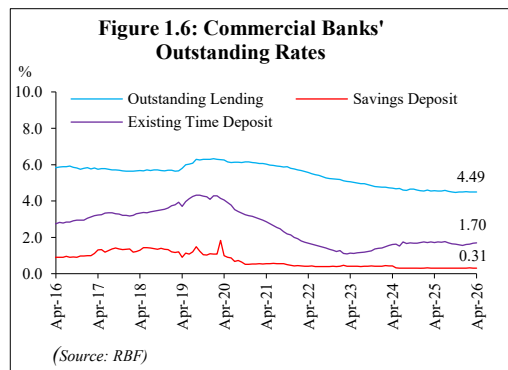
238 In 2025, foreign reserves rose by \$1.9 million to a record year end high of \$3,709.6 million, sufficient to cover 5.6 months of retained imports. This outcome was supported by higher inflows from tourism receipts, Government grants, and Fiji Airways fares, complemented by a slowdown in outflows. As of 24 June, foreign reserves (RBF holdings) stood at \$3,364.1 million, equivalent to 4.7 months of retained imports. Foreign reserves are projected to remain at comfortable levels over the medium term, supported by Government's external borrowing expected this year.

Money and Credit

239 Money supply continued an expansionary path into April 2026, recording a robust annual expansion of 11.1 percent, predominantly driven by the strong growth in private sector credit (PSC) (12.5 percent) to private sector business entities (PSBEs) and households. Lending to PSBEs was largely concentrated in the wholesale, retail, hotels & restaurant (WRHR), building & construction (B&C) and transport and storage (T&S) sectors. Furthermore, increased lending for housing and motor vehicles supported credit growth to households. In the year to April 2026, new investment lending surged (78.6 percent) while new consumption related credit fell (-9.7 percent).

Interest Rates

240 The weighted average outstanding lending rate stood near historical lows as liquidity in the banking system remained ample. Liquidity settled at \$1.6 billion at the end of May 2026. Similarly, the weighted average outstanding time deposit rate was lower over the year, led by movements in the shorter-term maturity spectrums (Figure 1.6).



Exchange Rates

241 In May 2026, the Fiji Dollar (FJD) strengthened against the Japanese YEN (JPY) (13.4%), the New Zealand Dollar (NZD) (4.0%) the United States Dollar (USD) (3.0%) and the Euro (EUR) (0.03%) but depreciated against the Australian Dollar (AUD) (-7.3%) on a year-on-year basis. Over the month, the FJD appreciated against the EUR (0.8%) and the USD (0.4%), while it weakened against the NZD (-0.9%) and YEN (-0.2%).

Monetary Policy

242 The RBF maintained an accommodative monetary policy stance in June 2026 with the Overnight Policy Rate (OPR) unchanged at 0.25 percent since March 2020.

CHAPTER 3: GOVERNMENT'S FISCAL PERFORMANCE

- 3.1 This chapter provides an overview of the Government's fiscal position, including recent fiscal developments, an assessment of performance against the 2025-2026 Budget and the revenue, expenditure and fiscal deficit projections underpinning the 2026-2027 Budget.
- 3.2 Fiscal performance has been broadly stable over the past three years despite a challenging global environment characterised by elevated inflation, tighter financial conditions, geopolitical tensions and increased economic uncertainty. Government's debt-to-GDP ratio declined from 91.8 percent in FY2021-2022 to 79.0 percent by the end of FY2024-2025, supported by a combination of comprehensive revenue reforms and a broad-based economic recovery. Over the same period, the fiscal deficit narrowed significantly from \$1,223.3 million (-12.3 percent of GDP) in FY2021-2022 to \$337.5 million (-2.5 percent of GDP) in FY2024-2025.
- 3.3 The 2025-2026 Budget was formulated amid heightened global uncertainty, marked by trade-related disruptions arising from reciprocal tariff measures imposed by the US, weaker global growth prospects and persistent cost-of-living pressures, domestically. In response, the Budget adopted a counter-cyclical stance, aimed at sustaining economic activity and supporting household incomes. Key measures included targeted expenditure initiatives and a reduction in the VAT rate from 15.0 percent to 12.5 percent, with an estimated revenue loss of around \$177.6 million. While these measures provided important economic and social support, it also contributed to a sharp increase in expenditure and a temporary widening of the fiscal deficit to -6.3 percent⁹ of GDP in FY2025-2026.
- 3.4 The fiscal outlook has since become more challenging with the escalation of the US-Iran conflict; disruptions to shipping through the Strait of Hormuz increasing fuel prices; global inflationary pressures and the cost of Government mitigation measures. At the same time, rising demand for social spending, subsidies and other priority expenditures has added further pressure on public finances. Against this backdrop, the 2026-2027 Budget adopts a responsible and pragmatic fiscal stance that seeks to address immediate economic and social priorities, while remaining focused on strengthening the Government's fiscal position over the medium term. While the fiscal deficit is projected to increase to -7.0 percent of GDP and Government debt to rise to 84.8 percent of GDP, these measures reflect the need to respond to pressing challenges, including cost-of-living pressures, higher social spending requirements amid rising external shocks.

⁹ The net deficit to GDP ratio is based on the revised Fiscal Year Nominal GDP estimates released as of June 2026 compared to the budgeted net deficit of -6.0 percent announced in the 2025-2026 Budget in June 2025.

FY2025-2026 Fiscal Performance

- 35 At the end of FY2025-2026, Government is anticipated to record a net deficit of around \$776.4 million, equivalent to -5.5 percent of GDP, lower than the budgeted net deficit of \$886.0 million or -6.3 percent of GDP. Total revenue is estimated at \$3,894.0 million (27.7 percent of GDP), while total expenditure is projected at \$4,670.4 million (33.2 percent of GDP). **Table 1** below provides the summary of Government's fiscal performance for FY2025-2026.
- 36 Compared to the 2025-2026 Budget, total revised revenue estimates are lower by \$53.5 million or -1.4 percent, while total revised expenditure estimates are lower by \$163.1 million or -3.4 percent. However, relative to the last financial year (FY2024-2025), total revised revenue estimates decreased by \$159.2 million or -3.9 percent, while total revised expenditure estimates are higher by \$279.7 million or 6.4 percent.

Table 1: Fiscal Performance for FY2025-2026¹⁰

Particulars	2025-2026 (Budget)	2025-2026 (Revised Estimate)	2025-2026 Variance	2025-2026 Variance	2024-2025 (Actual)
	(\$M)	(\$M)	(\$M)	(%)	(\$M)
Revenue	3,947.4	3,894.0	-53.5	-1.4	4,053.2
<i>As a % of GDP</i>	<i>28.1</i>	<i>27.7</i>			<i>29.7</i>
Tax Revenue	3,374.2	3,391.3	17.0	0.5	3,484.6
Non-Tax Revenue	573.2	502.7	-70.5	-12.3	568.6
Expenditure	4,833.5	4,670.4	-163.1	-3.4	4,390.7
<i>As a % of GDP</i>	<i>34.4</i>	<i>33.2</i>			<i>32.2</i>
Operating Expenditure	3,906.9	3,878.1	-28.8	-0.7	3,257.2
Capital Expenditure	926.6	792.3	-134.3	-14.5	1,056.9
VAT (SEG 13)	-	-			76.6
Net Deficit	-886.0	-776.4	109.6	-12.4	-337.5
As a % of GDP	-6.3	-5.5			-2.5
Debt	11,700.6	11,538.3			10,761.8
<i>As a % of GDP</i>	<i>83.2</i>	<i>82.1</i>			<i>79.0</i>
GDP at Market Prices	14,055.5	14,055.5			13,625.6

(Source: Ministry of Finance)

- 37 Tax revenue for FY2025-2026 is estimated at \$3,391.3 million, higher by \$17.0 million or 0.5 percent compared to the original budget. The positive outturn in tax revenue is primarily driven by higher personal income tax receipts, robust departure tax collections amid resilient tourism activity including higher net VAT collections, despite the reduction in the VAT rate, reflecting sustained consumer spending and economic activity. However,

¹⁰ The ratios as a percent of GDP are based on Fiscal Year Nominal GDP Estimates as at June 2026.

these gains were partially offset by lower-than-anticipated collections from corporate income tax, capital gains tax, water resource tax, and withholding taxes. Compared to the last financial year (FY2024-2025), tax revenue is estimated to decrease by \$93.3 million or -2.7 percent.

- 3.8 In the first ten months of FY2025-2026 (August 2025 to May 2026), Government collected \$2,795.8 million in tax revenues, representing 82.9 percent of the original budget and 82.4 percent of the revised estimate. Compared to the same period last financial year (August 2024 to May 2025), tax collections increased by \$2.6 million or 0.1 percent.
- 3.9 Non-tax revenue is estimated at \$502.7 million, lower by \$70.5 million or -12.3 percent than the original budget. This is largely attributed to lower collections from grants in aid, reimbursement and recoveries, fees, fines, charges and penalties, sale of Government assets, and interest from bank balance, while higher collections were noted from other revenue and surpluses, dividends from investments, and repayment of term-loan receivables. When compared to FY2024-2025, non-tax revenue is estimated to be lower by \$65.9 million or -11.6 percent.
- 3.10 In the first ten months of FY2025-2026, non-tax revenue stood at \$440.8 million, representing 76.9 percent of the original budget and 87.7 percent of the total revised non-tax revenue estimate. Compared to the same period last financial year (August 2024 to May 2025), non-tax collections increased by \$18.8 million or 4.5 percent.
- 3.11 Total Government expenditure for FY2025-2026 is estimated at \$4,670.4 million, lower by \$163.1 million or -3.4 percent when compared to the original budget. Operating expenditure has been revised to \$3,878.1 million, lower by \$28.8 million or -0.7 percent compared to the original budget, while capital expenditure has been revised to \$792.3 million, lower by \$134.3 million or -14.5 percent compared to the original budget. When compared to the last financial year, total Government expenditure is estimated to be higher by \$279.7 million or 6.4 percent. Operating expenditure is expected to increase by \$620.9 million¹¹ or 19.1 percent, while capital expenditure is projected to decrease by \$264.6 million or -25.0 percent.
- 3.12 In the first ten months of FY2025-2026, total spending stood at \$3,744.6 million, representing 77.5 percent of the original budget and 80.2 percent of the total revised expenditure estimate. Compared to the same period last financial year (August 2024 to May 2025), total expenditure increased by \$338.8 million or 9.9 percent.

¹¹ Reclassification of expenditures from capital to operating of around \$290.4 million in the 2025-2026 Budget.

- 3.13 Given the lower deficit of -5.5 percent of GDP estimated for FY2025-2026, Government debt is projected at 82.1 percent of GDP (\$11,538.3 million), lower than the original budget of 83.2 percent of GDP (\$11,700.6 million).

2026-2027 Budget

- 3.14 For FY2026-2027, Government has budgeted a net deficit of \$1,045.5 million, equivalent to -7.0 percent of GDP (**Table 2**). Total revenue is estimated at \$3,824.3 million, equivalent to 25.8 percent of GDP, and comprises tax revenue of \$3,306.1 million (22.3 percent of GDP) and non-tax revenue of \$518.1 million (3.5 percent of GDP). Total expenditure is budgeted at \$4,869.8 million, or 32.8 percent of GDP, comprising operating expenditure of \$3,994.2 million (26.9 percent of GDP) and capital expenditure of \$875.7 million (5.9 percent of GDP).
- 3.15 The projected total gross deficit, which is the sum of the net deficit and principal debt repayments, is around \$1,481.9 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 2026-2027 Budget Estimates.

Table 2: Fiscal Framework for FY2026-2027

Particulars	\$Million
Revenue	3,824.3
<i>As a % of GDP</i>	25.8
Tax Revenue	3,306.1
Non-Tax Revenue	518.1
Expenditure	4,869.8
<i>As a % of GDP</i>	32.8
Operating Expenditure	3,994.2
Capital Expenditure	875.7
Net Deficit	-1,045.5
<i>As a % of GDP</i>	-7.0
Gross Deficit	-1,481.9
Debt	12,583.8
<i>As a % of GDP</i>	84.8
GDP at Market Prices	14,833.5

(Source: Ministry of Finance)

- 3.16 Tax revenue is projected at \$3,306.1 million in FY2026-2027, a decrease of \$85.1 million or -2.5 percent compared to the revised FY2025-2026 estimate. The decline reflects the moderation in economic activity amid a more challenging global environment, characterised by slowing global growth and heightened uncertainty arising from ongoing tensions and conflict in the Middle East. These external developments are expected to have spillover effects on the domestic economy through weaker growth in visitor arrivals, elevated inflationary pressures from higher fuel and transportation costs and softer business and consumer confidence. Revenue performance is also

constrained by persistent structural challenges in key domestic industries, including productivity constraints, skills shortages and capacity limitations, which continue to weigh on economic expansion and tax generation. In addition, the continuation of fuel-crisis mitigation measures is expected to reduce revenue collections, although this impact will be partially offset by higher excise duty collections from motor vehicles. Consequently, the tax-to-GDP ratio is projected to decline from 24.1 percent in the revised FY2025-2026 estimate to 22.3 percent in FY2026-2027.

- 3.17 Non-tax revenues are projected at \$518.1 million in FY2026-2027, an increase of \$15.4 million or 3.1 percent compared to the revised FY2025-2026 estimate. Government is expected to receive around \$180.4 million from fees, fines & charges, \$114.1 million in cash grants and \$135.4 million in dividends from State Owned Entities (SOEs) and profits from the RBF in FY2026-2027. Additional revenues of \$16.3 million in reimbursement and recoveries from various existing trust fund accounts is also expected to be received by Government. A detailed breakdown of revenues is provided in the 2026-2027 Budget Estimates.
- 3.18 Total Government expenditure for FY2026-2027 is budgeted at \$4,869.8 million, around \$199.4 million or 4.3 percent higher than the revised FY2025-2026 estimate. The higher expenditure largely reflects new funding allocated for the General Elections, Constitutional Referendum and National Census, together with increased interest obligations and strategic investments in priority infrastructure and public services. Key capital allocations include funding for critical bridge replacements, Kinoya Wastewater project under HOWSIP and the establishment of a radiotherapy centre under the PHIT project, which is expected to strengthen service delivery, enhance infrastructure resilience and support medium-term economic growth.
- 3.19 Complementing these expenditure priorities, the 2026-2027 Budget incorporates a range of expenditure rationalisation measures, aimed at improving spending efficiency and containing recurrent expenditure pressures. These include a reduction in the FNPF mandatory employer contribution rate from 10 percent to 8 percent, a 50 percent cut in budgeted vacant positions, a 10 percent reduction in allocations for Travel and Communications, Maintenance and Operations, Purchase of Goods & Services, and Operating Transfers to Government agencies. In addition, Government has continued to implement a 20 percent reduction in the salaries of all Parliamentarians and expenditure containment measures relating to Government vehicle costs.
- 3.20 Operating expenditure is budgeted at \$3,994.2 million, an increase of \$116.1 million or 3.0 percent, compared to the revised FY2025-2026 estimate, while capital expenditure is budgeted at \$875.7 million, an increase of \$83.3 million

or 10.5 percent, compared to the revised FY2025-2026 estimate. The operating capital mix for the 2026-2027 Budget stands at 82:18. Further expenditure details are provided in the 2026-2027 Budget Estimates.

321 **Table 3** presents the Government's Cashflow Statement from FY2024-2025 to FY2026-2027.

Table 3: Cashflow Statement

\$Million	2024-2025 (Actual)	2025-2026 (Revised)	2026-2027 (Budget)
Cash Flows from Operating Activities			
Receipts			
Direct Taxes	1,137.7	1,142.2	1,074.2
Indirect Taxes	2,270.2	2,249.1	2,232.0
<i>Value Added Tax</i>	1,466.2	1,378.6	1,349.1
<i>Customs Taxes</i>	592.6	628.0	636.8
<i>Service Turnover Tax</i>	0.4	0.1	0.0
<i>Water Resource Tax</i>	77.9	65.7	67.7
<i>Departure Tax</i>	123.0	165.9	167.5
<i>Stamp Duty</i>	0.0	0.0	0.0
<i>Telecommunication Levy</i>	0.6	0.8	0.8
<i>Environment and Climate Adaption Levy</i>	9.6	10.0	10.1
Fees, Fines, Charges & Penalties	160.7	173.7	180.4
Sales Revenue	0.0	0.01	0.0
Grants in aid	151.5	83.7	114.1
Dividends from Investment	165.2	166.9	135.4
Reimbursement & Recoveries	28.7	5.6	23.1
Other Revenues and Surpluses	57.6	62.7	57.7
Total Operating Receipts	3,971.7	3,883.8	3,816.8
Payments			
Personnel	1,239.0	1,299.3	1,316.2
Transfer Payments	943.0	1,373.5	1,374.9
Supplies and Consumables	355.3	462.3	468.3
Purchase of Outputs	197.3	204.7	238.5
Interest Paid	521.2	534.5	572.0
Other Operating Payments	1.4	3.8	24.4
Total Operating Payments	3,257.2	3,878.1	3,994.2
Net Cash Flows from Operating Activities	714.5	5.8	-177.4
<i>As a % of GDP</i>	<i>5.2</i>	<i>0.04</i>	<i>-1.2</i>
Cash Flows from Investing Activities			
Receipts			
Sale of Government Assets	0.0	0.0	0.0
Interest from Bank Balance	3.6	3.1	1.5
Repayment of Term-Loans Receivable	0.9	7.1	5.9
Return of Surplus Capital from Investment	0.3	0.0	0.0
Foreign Exchange Rate Gains	0.0	0.0	0.0
Total Investing Receipts	4.9	10.2	7.5

\$Million	2024-2025 (Actual)	2025-2026 (Revised)	2026-2027 (Budget)
Payments			
Transfer Payments	882.0	640.7	699.0
Purchase of Physical Non-current Assets	174.9	151.6	176.7
Total Investing Payments	1,056.9	792.3	875.7
Net Cash Flows from Investing Activities	-1,052.1	-782.2	-868.2
<i>As a % of GDP</i>	<i>-7.7</i>	<i>-5.6</i>	<i>-5.9</i>
Net (Deficit)/Surplus	-337.5	-776.4	-1,045.5
<i>As a % of GDP</i>	<i>-2.5</i>	<i>-5.5</i>	<i>-7.0</i>

(Source: Ministry of Finance)

Operating Revenue

- 3.22 Total direct tax collections (personal income tax, corporate tax, withholding tax, capital gains tax, fringe benefit tax and other taxes) are projected at \$1,142.2 million in FY2025-2026 and \$1,074.2 million in FY2026-2027. Indirect taxes (including VAT, customs duties, water resource tax, departure tax and other levies) are forecasted at \$2,249.1 million in FY2025-2026 and \$2,232.0 million in FY2026-2027, representing a decline of \$17.1 million or -0.8 percent.
- 3.23 In FY2026-2027, the increase in collections from fees, fines, charges and penalties is driven by higher receipts from Land Transport Authority, passport fees and telecommunications and television licensing fees. At the end of FY2025-2026, grants in aid are estimated at \$83.7 million, lower by \$40.7 million or -32.7 percent compared to the original budget of \$124.4 million. Grant receipts are projected to increase to \$114.1 million in FY2026-2027. Dividends from investment are estimated at \$166.9 million in FY2025-2026 and anticipated to decrease to \$135.4 million in FY2026-2027. In FY2026-2027, Government expects to receive around \$3,816.8 million in operating revenue, a decrease of \$67.0 million (-1.7 percent) when compared to FY2025-2026.

Operating Payments

- 3.24 In FY2025-2026, the largest component of operating expenditure is Transfer Payments, which is estimated at \$1,373.5 million, representing 35.4 percent of total operating expenditure and 29.4 percent of total expenditure. In FY2026-2027, transfer payments are projected to be around \$1,374.9 million, an increase of \$1.4 million (0.1 percent).
- 3.25 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 2026-2027 Budget

Estimates. Based on these changes, the total operating expenditure for FY2026-2027 is set at \$3,994.2 million, an increase of \$116.1 million or 3.0 percent. Operating expenditure accounts for around 82.0 percent of total expenditure.

Net Cashflow from Operating Activities

- 326 Government recorded an operating surplus of \$714.5 million (5.2 percent of GDP) in FY2024-2025. For FY2025-2026, Government is anticipated to record an operating surplus of \$5.8 million (0.04 percent of GDP) and for FY2026-2027, Government is expected to record an operating deficit of around \$177.4 million¹² (-1.2 percent of GDP).

Investing Revenue

- 327 Investing revenues, comprising receipts from disposal of Government assets, interest from bank balance, repayment of term loans and receivables and return of surplus from Trading & Manufacturing Account (TMA) operations, stood at \$4.9 million in FY2024-2025 and is anticipated to be around \$10.2 million in FY2025-2026. For FY2026-2027, investing revenue is expected to be around \$7.5 million.

Investing Payments

- 328 Government will fund existing and new investment projects for roads, water, health and energy in the 2026-2027 Budget. Based on the changes in investing programmes, total capital expenditure for FY2026-2027 is around \$875.7 million.

Net Cashflows from Investing Activities

- 329 A net investing deficit of \$1,052.1 million was recorded in FY2024-2025. For FY2025-2026 and FY2026-2027, the anticipated net investing deficit is around \$782.2 million and \$868.2 million, respectively.

Net Deficit

- 330 Government achieved a net deficit of \$337.5 million (-2.5 percent of GDP) in FY2024-2025. The estimated net deficit for FY2025-2026 is \$776.4 million (-5.5 percent of GDP), while the net deficit target for FY2026-2027 is \$1,045.5 million (-7.0 percent of GDP).

¹² The operating deficit is also due to the re-classification of expenditures from capital to operating in the 2025-2026 Budget.

CHAPTER 4: MEDIUM-TERM FISCAL STRATEGY AND 10-YEAR FISCAL FRAMEWORK

- 4.1 This chapter outlines the Medium-Term Fiscal Strategy (MTFS) for FY2026-2027 to FY2028-2029 and presents a 10-Year Fiscal Framework under three scenarios (**Baseline, Best Case and Worst Case**) to guide fiscal policy formulation over the longer term. The framework reflects Government's commitment to restoring fiscal sustainability through a disciplined and forward-looking approach to public financial management, while recognising prevailing economic realities, emerging risks and long-term fiscal pressures.
- 4.2 The MTFS is being formulated against a backdrop of heightened global uncertainty, moderating economic growth and mounting fiscal pressures. Ongoing geopolitical tensions, weaker global growth prospects, elevated commodity price volatility and persistent external vulnerabilities are expected to weigh on Fiji's economic outlook over the medium term. Domestically, structural challenges including skills shortages, rising living costs, infrastructure gaps and fiscal imbalances continue to constrain economic performance. While the post-pandemic recovery has supported revenue growth, the fiscal position remains under significant strain due to rapid expenditure growth, persistent fiscal deficits and elevated public debt levels.
- 4.3 Against this backdrop, a key challenge is the structural expansion of Government expenditure over the past three fiscal years. Total expenditure has increased significantly from approximately \$3.6 billion in FY2022-2023 to \$4.8 billion in 2025-2026 Budget, representing one of the fastest periods of expenditure growth in recent history. Much of this increase has been concentrated in operating expenditure, which has grown by more than 50 percent, largely driven by higher salaries and wages, transfers, subsidies and administration costs. While many of these expenditures serve important social and operational objectives, they generally generate lower long-term productivity and growth benefits than capital investment.
- 4.4 The rapid growth in recurrent expenditure has also reduced the share of resources available for capital investment. As spending commitments have increasingly shifted towards operating costs, less fiscal resources have been available for infrastructure development and other growth-enhancing investments. This trend has weakened the capacity of fiscal policy to support long-term economic transformation, improve productivity and strengthen Fiji's growth potential.
- 4.5 Despite a range of public sector and institutional reforms undertaken over the years, the anticipated efficiency gains have not been fully realised. Government bureaucracy remains, administrative processes continue to be complex, and the overall cost of service delivery remains high.

- 4.6 Another longstanding structural challenge is the pro-cyclical nature of fiscal policy. During periods of economic growth, expenditure has often expanded in line with rising revenues rather than being used to rebuild fiscal buffers and strengthen resilience. As a result, when external shocks occur, such as natural disasters, global commodity price spikes, supply chain disruptions, or heightened geopolitical tensions, Government's ability to provide timely and targeted support to households and businesses becomes constrained. Recent fuel supply disruptions and volatility in global energy markets have further exposed Fiji's vulnerability to external shocks, underscoring the need to rebuild fiscal buffers, create greater fiscal space, and enhance the country's capacity to respond effectively to future crises while safeguarding macroeconomic stability.
- 4.7 Revenue reforms introduced in FY2023-2024, particularly through higher tax rates, contributed to stronger revenue performance but also added to inflationary pressures and increased living costs. Higher indirect taxes were largely passed on to consumers through higher prices for goods and services at a time when households were already facing significant cost-of-living pressures. This experience underscores the importance of carefully balancing revenue mobilisation objectives with broader economic and social considerations.
- 4.8 Similarly, the partial reversal of tax measures, including the reduction in VAT rates in the 2025-2026 Budget, is estimated to have reduced Government revenue by approximately \$200.4 million annually. However, the expected reduction in retail prices has not been fully realised, highlighting that tax reductions do not necessarily translate into lower consumer prices. Future revenue reforms should therefore focus on strengthening compliance, broadening the tax base, reducing leakages and improving tax administration rather than relying primarily on adjustments to tax rates.
- 4.9 In the medium term, Government will face a significant financing challenge, with fiscal deficits projected to remain above -5.0 percent of GDP, equivalent to around \$1.0 billion annually. Over the past five years, a substantial portion of financing requirements has been met through highly concessional policy-based loans, with almost \$2.5 billion secured from development partners, including the ADB, World Bank and Japan International Cooperation Agency (JICA). However, access to such financing is becoming increasingly constrained as development partners place greater emphasis on deeper structural, governance and public financial management reforms. While many of the more readily achievable reforms have already been implemented, the remaining reform agenda is more complex, politically sensitive and institutionally demanding. As a result, progress on several reform commitments underpinning the FY2025-2026 policy-based lending programme has been significantly delayed.

- 4.10 The financing challenge is further compounded by the limited capacity of the domestic market to absorb substantially higher levels of Government borrowing. As concessional external financing becomes less readily available, Government will increasingly need to rely on domestic sources to finance large deficits. However, given the already elevated level of public borrowing and limited investor appetite for additional Government debt, raising financing on sustainable terms is expected to become progressively more difficult. This could place upward pressure on interest rates, crowd out private sector investment, constrain economic growth and increase fiscal and refinancing risks.
- 4.11 In this increasingly constrained financing environment, reducing fiscal deficits has become an economic necessity rather than a policy choice. Continued reliance on large deficits is neither sustainable nor prudent given the limitations on both external and domestic financing. At the same time, fiscal consolidation cannot be achieved through temporary expenditure restraint or one-off revenue measures alone. The challenge is compounded by the rigidity of recurrent expenditure, much of which can only be reduced through difficult policy and structural reforms. Consequently, fiscal consolidation will need to be gradual, credible and sustained over the medium term, supported by strong political commitment and careful expenditure prioritisation.
- 4.12 Achieving this objective will require a broader national consensus on the appropriate role and size of Government in the economy. Fundamental questions relating to the scope of Government activities, the efficiency of public service delivery, the size of the civil service and the prioritisation of expenditure must be addressed. Meaningful expenditure reform requires political discipline and sustained commitment, as the benefits often materialise over the medium to long term, while the adjustment costs are felt more immediately.
- 4.13 Given the limited scope for further fiscal stimulus, the private sector must increasingly become the primary driver of economic growth, investment and job creation. Government's role should focus on creating an enabling environment for private sector activity by addressing key constraints to productivity and competitiveness, while prioritising investments in critical economic infrastructure. This includes improving transport connectivity through roads, ports and airports; strengthening energy security through renewable energy investments; expanding water and wastewater systems; and investing in essential social infrastructure such as hospitals, schools and housing. By pursuing gradual fiscal consolidation alongside targeted growth-enhancing investments and structural reforms, the domestic economy can be placed on a sustainable path of growth, resilience and fiscal stability over the medium to long term.

Medium-Term Fiscal Framework

4.14 The 2026-2027 Budget provides for a net deficit of \$1,045.5 million, equivalent to -7.0 percent of GDP (compared to -5.0 percent of GDP approved in the MTFS). Total revenue is projected at \$3,824.3 million (25.8 percent of GDP), while total expenditure is budgeted at \$4,869.8 million (32.8 percent of GDP). Accordingly, Government debt is expected to increase to \$12,583.8 million or 84.8 percent of GDP (compared to the MTFS forecast of \$12,390.1 million or 84.7 percent of GDP). **Table 4** provides the broad revenue, expenditure, deficit and debt targets for FY2026-2027 and the medium-term.

Table 4: Medium-Term Fiscal Targets

\$Million	2026-2027 (Jan-2026 MTFS)	2026-2027 (Budget)	2027-2028 (Budget)	2028-2029 (Budget)
Revenue	4,095.9	3,824.3	3,959.9	4,151.2
<i>As a % of GDP</i>	<i>28.0</i>	<i>25.8</i>	<i>25.3</i>	<i>25.1</i>
Tax	3,527.9	3,306.1	3,508.2	3,685.9
<i>As a % of GDP</i>	<i>24.1</i>	<i>22.3</i>	<i>22.4</i>	<i>22.3</i>
Non-Tax	568.0	518.1	451.7	465.3
<i>As a % of GDP</i>	<i>3.9</i>	<i>3.5</i>	<i>2.9</i>	<i>2.8</i>
Total Expenditure	4,833.5	4,869.8	4,970.7	5,134.7
<i>As a % of GDP</i>	<i>33.1</i>	<i>32.8</i>	<i>31.8</i>	<i>31.1</i>
Operating Expenditure	3,821.9	3,994.2	4,036.9	4,149.5
<i>As a % of GDP</i>	<i>26.1</i>	<i>26.9</i>	<i>25.8</i>	<i>25.1</i>
Capital Expenditure	1,011.6	875.7	933.8	985.2
<i>As a % of GDP</i>	<i>6.9</i>	<i>5.9</i>	<i>6.0</i>	<i>6.0</i>
Net Deficit	-737.6	-1,045.5	-1,010.8	-983.5
As a % of GDP	-5.0	-7.0	-6.5	-6.0
Total Debt	12,390.1	12,583.8	13,594.7	14,578.2
As a % of GDP	84.7	84.8	86.9	88.3
GDP at Market Prices	14,621.9	14,833.5	15,649.3	16,510.1

(Source: Ministry of Finance)

4.15 **Table 5** below provides the financing sources for the 2026-2027 Budget.

Table 5: Financing for FY2026-2027

Financing	(\$Million)	
Domestic Financing		853.9
<i>FNPF</i>	700.0	
<i>Others (LICI, Banks)</i>	153.9	
External Financing		628.0
Policy Based Loans	496.0	
External Project Loans/Direct Payments	132.0	
Total Gross Financing		1,481.9
Debt repayments (principal)		436.4
Net Deficit		1,045.5

(Source: Ministry of Finance)

- 4.16 For FY2027-2028, the net deficit is set at \$1,010.8 million or -6.5 percent of GDP based on projected total revenues of \$3,959.9 million (25.3 percent of GDP) and total expenditure of \$4,970.7 million (31.8 percent of GDP). Accordingly, Government debt is estimated to be around \$13,594.7 million or 86.9 percent of GDP.
- 4.17 For FY2028-2029, the net deficit is set at \$983.5 million or -6.0 percent of GDP based on projected total revenues of \$4,151.2 million (25.1 percent of GDP) and total expenditure of \$5,134.7 million (31.1 percent of GDP). Accordingly, Government debt is estimated to be around \$14,578.2 million or 88.3 percent of GDP.
- 4.18 As a result of the revised fiscal outlook, both debt and deficit levels are now expected to exceed the projections approved in January 2026 MTFS. The declining fiscal deficit in the medium-term reflects Government's ongoing fiscal consolidation efforts. However, public debt is projected to continue increasing over the medium term, indicating that while fiscal adjustment is underway, further consolidation and stronger economic growth will be required to stabilize and ultimately reduce the debt-to-GDP ratio.
- 4.19 As such, the MTFS is anchored on two key objectives that are critical to achieving fiscal sustainability and supporting stronger economic growth:
- (i) **Improving the quality of public expenditure** by increasing the share of capital expenditure relative to operating expenditure. This will support economic growth, enhance productivity, and strengthen the economy's productive capacity through greater investment in critical infrastructure and other development priorities; and
 - (ii) **Gradually reducing the net deficit-to-GDP ratio** to contain debt accumulation, lower financing requirements, and place public debt on a more sustainable trajectory over the medium to long term.

Revenue Strategy

- 4.20 Government revenue has followed an upward trend in the post-COVID period, supported by stronger economic activity, tax policy reforms and improvements in tax administration. In FY2025-2026, the VAT rate was lowered from 15.0 percent to 12.5 percent as a targeted measure to mitigate cost-of-living pressures. Coupled with a broader economic slowdown and other policy adjustments, total revenue is estimated to decrease from \$4,053.2 million (29.7 percent of GDP) in FY2024-2025 to \$3,894.0 million (27.7 percent of GDP) in FY2025-2026. In the 2026-2027 Budget, total revenue is projected to decline further by \$69.7 million to \$3,824.3 million (25.8 percent of GDP). This reflects the slowdown in economic activity, with real GDP

growth for 2026 revised downward from 3.0 percent to 1.5 percent. The weaker economic outlook is expected to dampen business activity, household consumption and overall tax collections, resulting in lower revenue performance.

421 Over the medium term, total revenue is projected to increase to \$3,959.9 million (25.3 percent of GDP) in FY2027-2028 and \$4,151.2 million (25.1 percent of GDP) in FY2028-2029. 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 expenditures on exemptions and concessions to promote transparency and build support for rationalizing such incentives;
- Introduce environmentally focused taxes and incentives, such as carbon taxes or incentives for sustainable businesses aligning with NDP; and
- Review non-tax revenues on a cost recovery basis while also ensuring that the vulnerable and disadvantaged are protected.

Expenditure Strategy

422 Government spending has increased steadily in recent years to address immediate national priorities, including adjustments to civil service salaries, higher funding for education and health services, and expanded social welfare programs for vulnerable groups. While these expenditures have been necessary to support service delivery and social outcomes, they have also placed significant demands on available fiscal resources. As a result, the scope for increasing investment in public infrastructure and undertaking essential maintenance works has been constrained, highlighting the need to gradually rebalance expenditure towards development spending over the medium term.

4.23 In the 2026-2027 Budget, operating expenditure has been capped despite new allocations for general elections, referendum and national census, while new capital projects are being prioritised. For FY2026-2027, total spending is budgeted at \$4,869.8 million (32.8 percent of GDP). The operating capital mix is projected at 82:18 in FY2026-2027, a slight improvement when compared to 83:17 in FY2025-2026.

4.24 Over the medium term, total expenditure is projected at \$4,970.7 million (31.8 percent of GDP) in FY2027-2028 and \$5,134.7 million (31.1 percent of GDP) in FY2028-2029. The medium-term objective is to control total expenditure and improve the quality of Government spending. 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 KPIs of agency heads and Permanent Secretaries linked to these targets;
- Restructure the social protection framework to prioritize the most vulnerable segments of society, and reforming existing subsidy mechanisms;
- Conduct proper investment appraisal incorporating life cycle costs 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 must 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 the Ministry of Finance; and

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

Debt Management Strategy

425 Pursuant to Section 59A of the Financial Management Act (Amendment Act) 2021, the broad objectives of Government debt strategy in the medium-term are to:

- (i) Minimise the medium to long-term cost of Government debt within prudent levels of risk; and
- (ii) Support the development of a well-functioning domestic market for debt securities.

426 The following debt management policies will be implemented by Government to achieve the above objectives and to guide its borrowing for the fiscal year and in the medium-term:

- Continue to lower the cost of debt through concessional financing from development partners;
- Explore opportunities to refinance expensive debts with lower cost financing facilities;
- Improve the maturity profile through gradual reduction in treasury bills and issuances of short and medium-term bonds (2-year to 5-year tenor);
- 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;
- Explore liability management operations such as call-backs, bond buybacks, switch operations and early redemptions;
- Exercise embedded options where required, available on government external debt portfolio;
- Manage foreign debt repayments to minimise risks associated with exchange rate fluctuations; and
- Stringently monitor and minimise risks associated with contingent liabilities.

10-Year Fiscal Framework

427 The 10-Year Fiscal Framework provides a long-term assessment of Fiji's fiscal sustainability under alternative economic and fiscal scenarios.

(i) **Baseline Scenario**

The Baseline scenario assumes that the economy grows broadly in line with its long-term potential, supported by stable tourism activity, moderate private sector investment and continued implementation of Government policies. Fiscal consolidation progresses gradually, with revenue increasing in line with economic activity and expenditure growth remaining contained through ongoing efficiency measures.

(ii) **Best-Case Scenario**

The Best-case scenario assumes a stronger economic outlook, underpinned by favourable global conditions, robust tourism growth, higher private investment and successful structural reforms and is aligned with the NDP (2025-2029) growth target. Improved economic performance is expected to strengthen revenue collection, coupled with stricter controls on operating expenditure and stronger focus on capital spending, supporting faster deficit reduction and decline in public debt to GDP ratio.

(iii) **Worst-Case Scenario**

The Worst-case scenario assumes a period of heightened external and domestic challenges, including weaker global growth, natural disasters and lower investor confidence. These factors are expected to constrain economic growth, weaken revenue performance and increase expenditure pressures, resulting in larger fiscal deficits and higher debt levels.

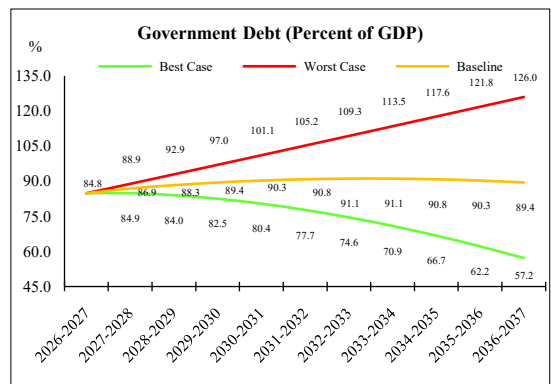
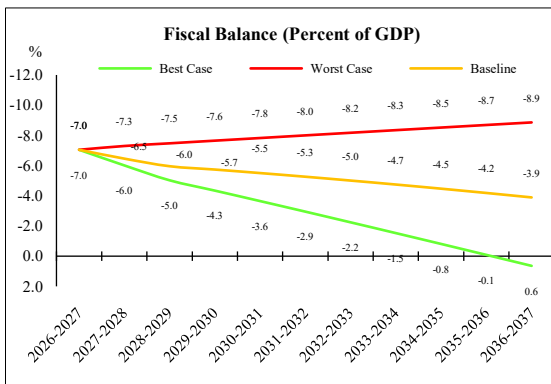
428 The scenarios are based on the following key macroeconomic and fiscal assumptions.

Table 6: Key Macroeconomic and Fiscal Assumptions

Variable	Best Case	Baseline	Worst Case
Real GDP Growth (Percent)	5.0	3.0	1.5
Nominal GDP Growth (Percent)	7.5	5.5	4.0
Inflation (Percent)	3.0	3.0	3.0
Nominal Interest Rates (Percent)	6.0	6.0	6.0
Visitor Arrivals Growth (Percent)	3.0	2.0	1.0
Revenue Performance	In-line with higher NGDP growth	In-line with NGDP growth	In-line with lower NGDP growth
Expenditure Control	Strong (Focus on Capital Spending)	Moderate	Weak

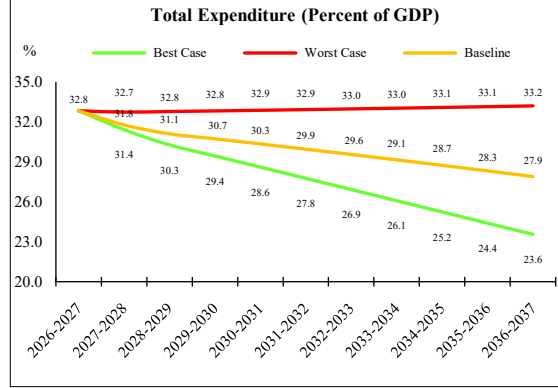
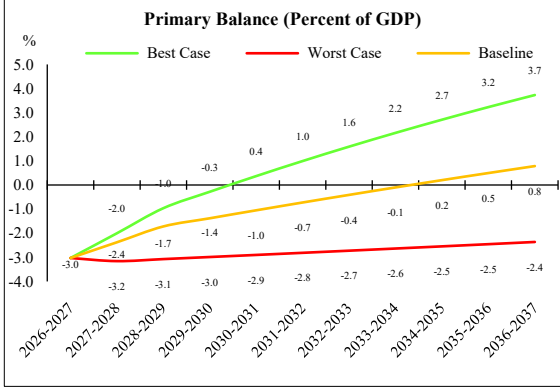
4.29 Additional assumptions include;

- (i) Real and Nominal GDP growth - is used to project direct and indirect taxes (PAYE, Corporate tax, VAT and Customs);
- (ii) Inflation - based on long term average (1991 to 2025). The assumption is that inflation will remain contained due to stable commodity prices and improved domestic supply conditions;
- (iii) Nominal Interest Rates - based on the average interest rates on Government’s long-term securities (20 and 25 year) between January 2010 to May 2026;
- (iv) Visitor arrivals - growth is used to forecast departure taxes; and
- (v) Revenue - overall revenue is projected to grow in line with the respective NGDP growth under the three scenarios.



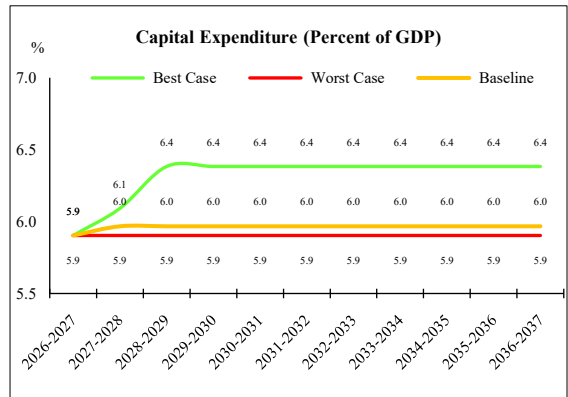
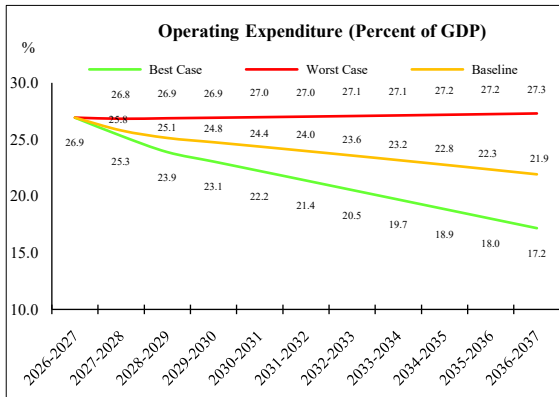
The fiscal balance is projected to follow markedly different trajectories under the three scenarios over the 10-year horizon. Under the Baseline scenario, the fiscal deficit gradually narrows from -7.0 percent of GDP in FY2026-2027 to -3.9 percent by FY2036-2037, reflecting a steady pace of fiscal consolidation. The Best-case scenario delivers a stronger adjustment, with the budget position improving progressively to achieve a fiscal surplus of 0.6 percent of GDP by the end of the projection period. In contrast, the Worst-case scenario results in a sustained deterioration in public finances, with the deficit widening to -8.9 percent of GDP.

Government debt outcomes vary significantly across the three scenarios, reflecting differences in economic growth, fiscal performance, and financing requirements. Under the Baseline scenario, the debt-to-GDP ratio rises from 84.8 percent in FY2026-2027 to 89.4 percent by FY2036-2037. In the Best-case scenario, stronger economic growth and sustained fiscal adjustment place debt on a declining path, reducing the ratio to 57.2 percent of GDP by the end of the 10-year period. Conversely, the Worst-case scenario projects debt to increase sharply to 126.0 percent of GDP in light of weaker growth and larger deficits.



The primary balance is projected to improve under all scenarios, although the pace and extent of adjustment differ considerably. Under the Baseline scenario, the primary deficit of -3.0 percent of GDP in FY2026-2027 gradually narrows and transitions to a surplus of 0.8 percent of GDP by FY2036-2037, reflecting continued fiscal consolidation efforts. The Best-case scenario delivers a more substantial improvement, generating a primary surplus of 3.7 percent of GDP by the end of the projection period. However, the Worst-case scenario remains in primary deficit at -2.4 percent of GDP.

Under the Baseline scenario, expenditure gradually declines from 32.8 percent of GDP in FY2026-2027 to 27.9 percent by FY2036-2037, reflecting ongoing expenditure rationalisation and fiscal consolidation efforts. The Best-case scenario records a more pronounced decline to 23.6 percent of GDP, supported by stronger economic growth and improvements in spending efficiency and quality of Government expenditure. In contrast, expenditure remains elevated at 33.2 percent of GDP under the Worst-case scenario, reflecting persistent spending pressures and limited fiscal adjustment.



Operating expenditure is projected to decline as a percent of GDP under both the Baseline and Best-case scenarios, reflecting the combined impact of stronger economic growth and expenditure rationalisation. Under the Best-case scenario, operating expenditure falls significantly from 26.9 percent of GDP to 17.2 percent by FY2036-2037, contributing substantially to improved fiscal sustainability. In the Baseline scenario, operating expenditure declines more gradually to 21.9 percent of GDP, consistent with a moderate pace of fiscal adjustment. Conversely, under the Worst-case scenario, operating expenditure remains broadly unchanged at around 27.3 percent of GDP, indicating limited progress in reducing recurrent spending pressures.

Capital expenditure remains broadly stable across all three scenarios, reflecting the importance of maintaining investment in infrastructure and other growth-enhancing projects. Under the Baseline scenario, capital spending is maintained at around 6.0 percent of GDP throughout the projection period, demonstrating a continued commitment to supporting long-term economic development. In the Best-case scenario, capital expenditure increases from 5.9 percent to 6.4 percent of GDP, enabling higher levels of productive investment and supporting stronger economic growth. Under the Worst-case scenario, capital spending remains broadly unchanged at 5.9 percent of GDP, reflecting constrained fiscal space and limited capacity to expand development expenditure.

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 Government debt at the end of July 2026 is projected to reach \$11,538.3 million, equivalent to 82.1 percent of GDP. This comprises \$7,529.1 million (65.3 percent) of domestic debt and \$4,009.2 million (34.7 percent) of external debt.

5.3 Government debt has increased significantly over recent years due to economic challenges, infrastructure development, and recovery measures following the COVID-19 pandemic. However, since 2022, the debt-to-GDP ratio has shown a gradual improvement, largely driven by a strong economic recovery.

5.4 The latest IMF Article IV Report assessed Fiji as facing no immediate risk of debt distress. While Government debt remains elevated and significantly above pre-pandemic levels, the report noted that the debt level remains manageable, provided economic growth is sustained and that Government maintains tighter fiscal discipline.

5.5 Government’s debt position from FY2021-2022 to FY2025-2026 is outlined in **Table 7**.

Table 7: Total Government Debt (\$Million)

Particulars	Jul-22	Jul-23	Jul-24	Jul-25	Jul-26 (f)
Domestic Debt	5,767.4	6,170.5	6,587.9	6,976.9	7,529.1
External Debt	3,364.1	3,577.0	3,721.3	3,784.9	4,009.2
Total Debt	9,131.5	9,747.5	10,309.2	10,761.8	11,538.3
Debt (As a % of GDP)	91.8	83.1	79.1	79.0	82.1
Domestic Debt to Total Debt (%)	63.2	63.3	63.9	64.8	65.3
External Debt to Total Debt (%)	36.8	36.7	36.1	35.2	34.7
Nominal GDP	9,944.5	11,736.0	13,033.1	13,625.6	14,055.5

(Source: Ministry of Finance)

5.6 Government’s increased access to concessional external financing has resulted in the deviation from our external debt benchmark of 70:30 (+/-5) domestic and external debt in the last five years. However, Government has managed to align its debt composition closer to the benchmark target with a projected 65.3 percent domestic debt and 34.7 percent external debt at the end of FY2025-2026.

5.7 During FY2025-2026, Government secured new financing facilities with a cumulative sum of \$760.1 million (US\$343.2 million) for essential projects, which include the following:

- (i) PHIT is the first regional health project co-financed by the World Bank IDA, the ADB and the OPEC Fund. This is the largest and most transformative health sector reform project in the region led by Fiji. The project aims to strengthen regional systems to enable coordinated access to quality health services within participating countries (including Fiji, Tuvalu, Tonga and Kiribati) with a focus on non-communicable disease management. The financing under PHIT entails concessional financing led by the World Bank with a total amount of \$402.9 million (US\$181.9 million) including a grant component of \$18.6 million (US\$8.4 million);
- (ii) HOWSIP is funded by the ADB and Government. The project aims to address challenges in the water and wastewater sector and will double the treatment capacity of the Kinoya Wastewater Treatment Plant, finance the performance-based contract for non-revenue water reduction and improve regional capacity and training in the water and wastewater sector. HOWSIP is valued at \$378.7 million (US\$171.0 million) inclusive of a \$22.1 million (US\$10.0 million) grant from ADB and Government contribution of \$57.6 million (US\$26.0 million) covering taxes and import duties;
- (iii) Accelerating Trade Pacific Project is funded by the World Bank IDA of \$24.4 million (US\$11.0 million). The project is a regional initiative designed to enhance cross-border trade efficiency across six Pacific Island Countries (PICs): Fiji, Vanuatu, Solomon Islands, Tonga, Tuvalu, and Kiribati. It aims to reduce the time and cost of cross-border trade by modernizing customs operations, improving digital infrastructure, and strengthening regional coordination mechanisms; and
- (iv) BE-GREEN project is financed by the International Fund for Agricultural Development with a funding of \$11.7 million (US\$5.3 million). It aims to demonstrate an effective approach to enhancing rural livelihoods by leveraging economic initiatives as incentives to restore degraded ecosystems, adapt to climate change and protect biodiversity. Phase 1 will develop the approach in six districts, while also delivering an Integrated Island Management Plan for Vanua Levu.

- 5.8 Since FY2017-2018, Government has successfully leveraged policy-based budget support financing from its development partners. Through these operations, Government has implemented a broad range of structural and institutional reforms aimed at strengthening economic management and supporting sustainable development. For the current fiscal year, reform efforts have focused on enhancing public financial management, promoting economic growth, and strengthening climate and community resilience. Around \$2.0 billion was accessed through this modality of financing during the COVID-19 pandemic.
- 5.9 Government is closely working with development partners co-led by the World Bank and ADB for Sub-Program 2 of the ‘Fiji Growth and Resilience Development Policy Financing’. Due to the ongoing fuel crisis, additional financing of around \$1,055.0 million (US\$476.0 million) has been provided under this program. This financing, comprising a mix of grants and concessional loans, is expected to be accessed towards the end of FY2025-2026 and during FY2026-2027, subject to the successful implementation of the agreed policy reforms.
- 5.10 In May 2026, Government negotiated with the World Bank for the Sub-Program 2 of Fiji Growth and Resilience Development Policy financing, amounting to \$332.2 million (US\$150.0 million). Of this amount, IBRD financing is around \$231.5 million (US \$104.5 million), while \$100.8 million (US\$45.5 million) is a concessional IDA facility. Financing is anticipated to be accessed by July 2026 as Government has successfully completed the required policy reform actions.
- 5.11 Furthermore, there are ongoing discussions with the AIIB on financing the ‘Strengthening Climate Resilience of Rural Infrastructure Project (SCRIP)’ with a grant of \$6.5 million (US\$2.9 million) secured to assist with project preparation. The SCRIP aims to enhance climate resilience of rural roads and rural water and sanitation systems in Viti Levu and Vanua Levu with the FRA and WAF as the two implementing agencies.
- 5.12 In addition, Government is supportive of EFL major capital investment plan valued at \$2.0 billion, with discussions progressing between EFL and development partners including financial institutions on financing options. A grant of \$2.7 million (US\$1.2 million) was signed with the World Bank for project preparation towards the Energy Transformation Project.

Domestic Debt

- 5.13 The domestic capital market continues to be the major source of financing for Government 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. Major debt instruments for the domestic market include 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).

5.14 During the current fiscal year, Government introduced 25-year tenors for FIB, drawing strong demand across a diverse investor base. Bond maturities span 2 to 20 years, featuring fixed rates with semi-annual coupons, except for retail VTB, which pays quarterly. Meanwhile, the maturity period for T-Bills range from 3 months to 12 months and interest rates vary from time to time depending on market conditions. The total domestic debt is projected to reach \$7,529.1 million, equivalent to 53.6 percent of GDP by the end of July 2026, an increase from \$6,976.9 million as recorded in July 2025 (**Table 8**).

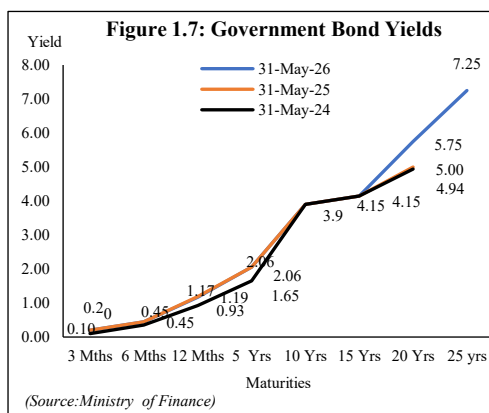
Table 8: Government’s Domestic Debt (\$Million)

Particulars	Jul-22	Jul-23	Jul-24	Jul-25	Jul-26(f)
Bonds	5,483.9	5,905.4	6,308.9	6,686.9	7,250.1
Treasury Bills	283.5	265.1	279.0	290.0	279.0
Total Domestic Debt	5,767.4	6,170.5	6,587.9	6,976.9	7,529.1
Domestic Debt to GDP (%)	58.0	52.6	50.5	51.2	53.6
Domestic Debt to Total Debt (%)	63.2	63.3	63.9	64.8	65.3

(Source: Ministry of Finance)

5.15 Government domestic interest structure is anchored by an accommodative monetary policy set by the RBF, keeping short term benchmark rates flat while long term yields command a premium. The steady liquidity levels of around \$1,611.5 million at the end of May 2026 continues to exert downward pressure on short to medium term market yields.

5.16 During this fiscal year, the shorter end of the yield curve (3 months to 6-month maturities) remained constant, while the 12 months yield notably decreased from 1.19 percent to 1.17 percent. Longer term yields (10 year and 15 year) were relatively constant, while yields scaled upward according to maturity length with the 20-year yield increasing from 5.00 percent to 5.75 percent, while the 25-year yield increased from 5.94 percent to 7.25 percent as of May 2026 (**Figure 1.7**).



External Debt

- 5.17 Total external debt is projected to reach \$4,009.2 million or 28.5 percent of GDP by the end of July 2026, an increase from \$3,784.9 million recorded in July 2025. (Table 9).

Table 9: Government External Debt (\$Million)

Particulars	Jul-22	Jul-23	Jul-24	Jul-25	Jul-26(f)
Total External Debt	3,364.1	3,577.0	3,721.3	3,784.9	4,009.2
External Debt to GDP (%)	33.8	30.5	28.6	27.8	28.5
External Debt to Total Debt (%)	36.8	36.7	36.1	35.2	34.7

(Source: Ministry of Finance)

- 5.18 The external debt portfolio is driven primarily by USD denominated loans (85.8 percent) from multilateral partners including the World Bank group, ADB, European Investment Bank and AIIB as well as our bilateral development partner the Australian Infrastructure Financing Facility for the Pacific followed by the JPY (8.4 percent) and CNY (5.8 percent) (Table 10).

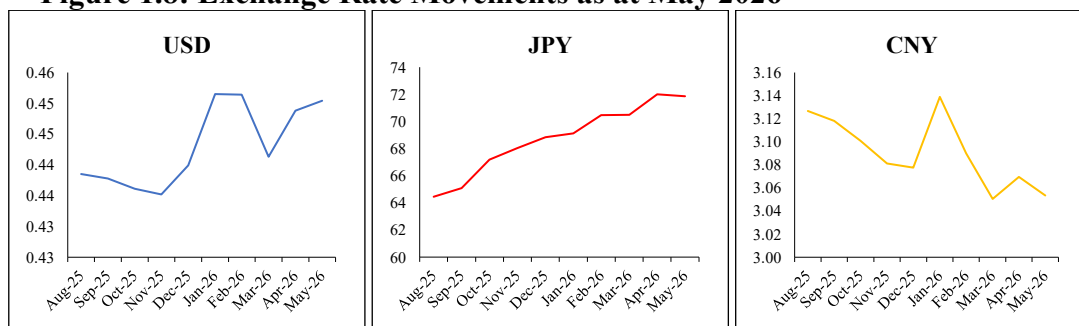
Table 10: External Debt Stock by Currency (\$Million)

Particulars	Jul-22	Jul-23	Jul-24	Jul-25	Jul-26(f)
USD	2,519.0	2,815.5	3,036.0	3,145.6	3,465.5
CNY	431.4	363.0	310.6	263.0	220.0
JPY	413.7	398.5	374.7	376.3	323.6
Total External Debt	3,364.1	3,577.0	3,721.3	3,784.9	4,009.2

(Source: Ministry of Finance)

- 5.19 **Figure 1.8** presents the exchange rate movements as of May 2026. An overall appreciating trend was noted against the JPY since August 2025, while movements against USD and CNY were broadly mixed during the review period.

Figure 1.8: Exchange Rate Movements as at May 2026

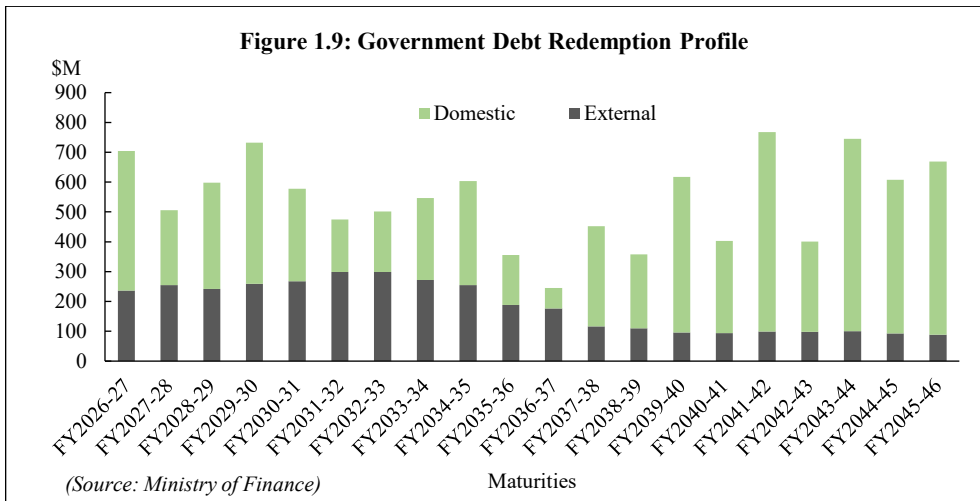


(Source: Ministry of Finance)

Government Debt Redemption Profile

5.20 The Government debt redemption profile for the period FY2026-2027 through 2045-2046 is shown in **Figure 1.9**. The FY2026-2027 indicated lesser maturity as compared to FY2025-2026 with T-Bills financing maturing due for the year. Majority of the debt maturing are denominated in Fijian dollars while the maturity of external debt is spread out over the period. The profile is notably concentrated in the 2030, 2042, 2044 and 2046 fiscal periods particularly for the domestic debt portfolio.

5.21 To maintain an optimal maturity structure, the Government plans to smooth out these upcoming commitments by exploring proactive liability management, including bond buybacks, bond switches, and debt callbacks.¹³



Risk Indicators

5.22 The MTDS outline indicative targets to be achieved by fiscal year 2026. A review of the overall debt portfolio against these objectives is performed quarterly and annually to ensure major financial risks are managed effectively. **Table 11** evaluates the key costs and risks trade-off associated with the central Government’s debt portfolio and aligns them with debt management strategies.

¹³ The profile is based on the July 2026 Disbursed Outstanding Debt (DOD) forecast.

Table 11: Risk Exposure as of July 2026¹⁴

Particulars		FY2024-2025			FY2025-2026(f)		
		External debt	Domestic debt	Total debt	External debt	Domestic debt	Total debt
Amount (FJ\$ Million)		3,784.9	6,976.9	10,761.8	4,009.2	7,529.1	11,538.3
Amount (US\$ Million)		1,650.6	3,042.6	4,693.2	1,805.8	3,391.2	5,197.0
Nominal debt (% of GDP)		26.9	49.6	76.6	28.5	53.6	82.1
Refinancing risk	ATM (years)	13.2	10.8	11.7	13.1	11.6	12.2
	Debt maturing in 1 year (% of total)	5.0	9.5	7.7	4.6	6.2	5.6
Interest rate risk	ATR (years)	10.9	10.8	10.8	10.4	11.6	11.1
	Debt re-fixing in 1 year (% of total)	41.5	9.5	22.5	42.9	6.2	21.2
	Weighted Av. IR (%)	3.7	5.8	5.0	3.3	5.6	4.7
FX risk	FX debt (% of total debt)	35.2			34.7		

(Source: Ministry of Finance)

- 5.23 Government debt portfolio shows a high overall debt levels at 82.1 percent projected for the end of July 2026, however it features low immediate refinancing risk and strong structural stability due to a high proportion of fixed-rate domestic debt and increased concessional financing.
- 5.24 In terms of movements in Government debt portfolio cost and risk indicators over the past three fiscal years, there has been improvements in the weighted average interest rates and the refinancing risk. The Average Time to Maturity (ATM) was recorded at 12.2 years with external at 13 years and domestic at close to 12 years meaning that debt repayment is spread out safely over a long horizon. This is mostly attributed to an increase in concessional financing sources that provides financing with a 40-year maturity inclusive of a 10-year grace period and lower fixed interest rates and the issuance of longer-term bonds in the domestic market with 25-year tenor being introduced during the period.
- 5.25 The Weighted Average Interest Rate is forecast at 4.7 percent, a marginal decrease of 3 basis points from July 2025 driven by an increase in fixed interest rates debt which comprises 84.4 percent of the total debt, protecting the budget from sudden market rate spikes. While domestic debt is 100 percent fixed, 53.5 percent of external debt faces interest rate refixing within the year.

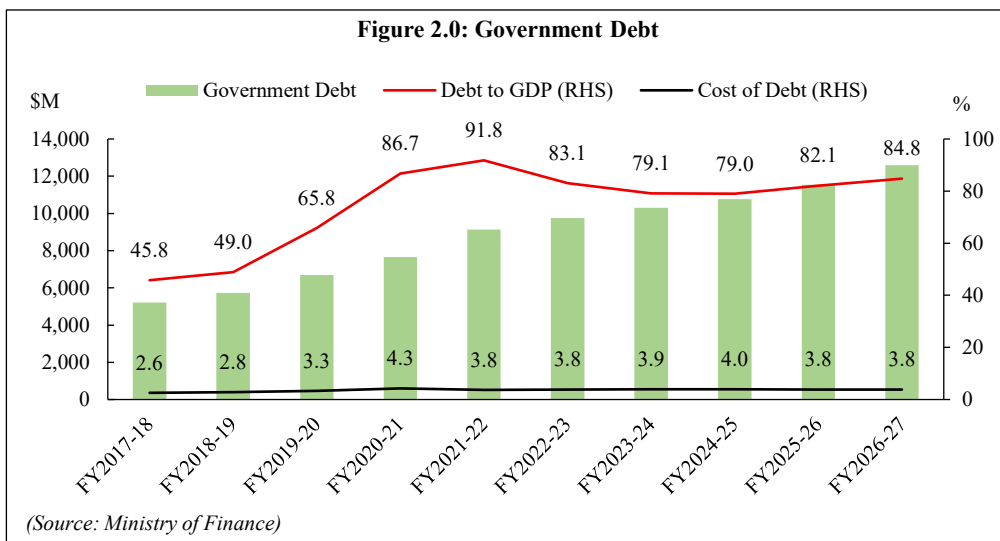
¹⁴ Risk exposure is based on the July 2026 DOD forecast.

5.26 In terms of currency exposure, external debt accounts for 34.7 percent of the total portfolio and is within the internal benchmark of 70:30 (+/-5). However, Government will continue to monitor its foreign currency facilities and explore external policy measures to mitigate any foreign currency risks.

Cost Indicators

5.27 Over the ten-year period, despite the heavy accumulation of Government debt rising from \$5,220.5 million in July 2018 to projected \$12,583.8 million in July 2027, the cost of debt has remained relatively stable fluctuating between 2.6 to 4.3 percent. Cost of debt is projected at 3.8 percent at the end of July 2026 and is forecasted to remain at the same level in July 2027 as illustrated in **Figure 2.0**.

5.28 The decline in cost of debt is attributed to the increase in concessional financing where interest rates are between 0.01-1.0 percent with maturity terms of up to 40 years inclusive of 10-year grace period.



Contingent Liabilities

5.29 Total contingent liabilities stood at \$1,771.9 million or 12.6 percent of GDP at the end of April 2026 (**Table 12**). The portfolio is distributed across explicit guarantees (63.9 percent), other explicit contingent liabilities (33.1 percent) and implicit contingent liabilities (3.0 percent).

5.30 Government guaranteed debt stood at \$1,131.5 million, equivalent to 8.1 percent of GDP at the end of April 2026. This marks a 17.5 percent increase compared to the previous financial year, driven by an increase in guaranteed borrowings by key entities, while Fiji Airways continued to record a steady reduction in its guaranteed balance due to ongoing repayments.

Table 12: Contingent Liabilities

Government Guarantees	Jul-22	Jul-23	Jul-24	Jul-25	Apr-26
Air Pacific Limited trading as Fiji Airways (FA)	439.4	423.8	427.7	366.7	340.9
Fiji Development Bank (FDB)	301.5	280.2	200.4	245.1	347.0
Fiji Sugar Corporation Limited	243.0	281.3	293.0	323.6	320.2
Housing Authority (HA)	81.7	82.9	93.9	113.6	119.2
Pacific Fishing Company Pte Limited (PAFCO)	3.0	0.8	1.1	0.6	4.2
Total Explicit Government Guarantees (A)	1,068.6	1,069.0	1,016.1	1,049.6	1,131.5
% of Government Guarantees to GDP	10.7	9.1	7.8	7.7	8.1
International Bank for Reconstruction & Development (IBRD)	329.4	347.1	353.6	366.7	356.3
Asian Development Bank (ADB)	200.2	206.8	210.7	214.1	208.0
Asian Infrastructure Investment Bank (AIIB)	22.1	22.5	22.9	22.9	22.3
Total Other Explicit Contingent Liabilities (B)	551.7	576.4	587.2	603.7	586.6
Fiji Revenue & Customs Service	72.8	73.4	41.1	41.2	41.1
Provincial Council	1.2	1.1	1.1	1.1	1.0
Municipal Council	16.7	15.1	13.2	10.2	11.7
Total Implicit Contingent Liabilities (C)	90.7	89.6	55.4	52.5	53.8
Total Other Contingent Liabilities (B+C)	642.4	666.0	642.6	656.2	640.4
Total Contingent Liabilities (A+B+C)	1,711.0	1,735.0	1,658.7	1,705.8	1,771.9
Total Contingent Liabilities to GDP (%)	17.2	14.9	12.7	12.5	12.6

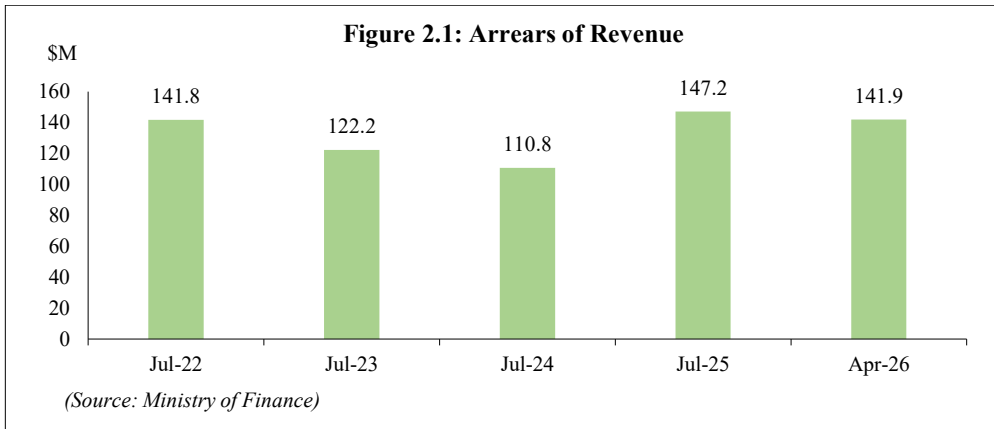
(Source: Ministry of Finance)

- 5.31 Government will maintain effective management of contingent liabilities by enforcing stringent monitoring of guaranteed entities financial performance to mitigate fiscal risks.

Arrears of Revenue

- 5.32 Government's arrears of revenue consist of duties, fees, rates, charges, penalties, and fines owed to the state for goods and services. A review of total arrears over a five-year period shows a downward trend, declining from \$141.8 million in July 2022 to \$110.8 million in July 2024 due to better

compliance measures. However, this was followed by a notable increase at the end of July 2025, reflecting an accumulation of outstanding balances within key agencies. Total Government arrears stood at \$141.9 million at the end of April 2026.



Lending/On-Lending Fund (Term Loan Receivables)

5.33 The outstanding Government lending and on-lending to Government entities and agencies are projected to decrease by 3.7 percent to \$60.3 million at the end of July 2026. This is attributed to the ongoing repayment of loans by agencies such as SPFL and the repayments made by recipients of the MSME loan scheme.

Table 13: Lending Fund (\$Million)

Lending/On-Lending Fund Agencies	Jul-22	Jul-23	Jul-24	Jul-25	Jul-26(f)
Lending Agencies					
Public Officers and Ministers	0.01	0.01	0.01	-	-
iTaukei Affairs Board	4.3	4.1	4.1	4.1	4.1
FRCS-PSC Scholarship Recovery	8.8	8.7	8.7	8.7	8.7
Fiji Sports Council	4.5	4.4	3.9	3.9	3.9
Fiji Sugar Corporation Limited (FSC)	200.2	200.2	-	-	-
Viti Corporation Company Limited (VCCL)	2.9	2.9	-	-	-
Food Processors Fiji Limited	1.9	1.9	1.9	-	-
Fiji Rice Pte Limited (FRL)	1.9	1.9	-	-	-
South Pacific Fertilisers Limited (SPFL)	8.8	8.7	7.8	7.3	6.8
Pacific Fishing Company Limited (PAFCO)	9.0	9.0	-	-	-
Public Rental Board (PRB)	1.0	1.0	1.0	1.0	1.0
FRCS MSME Loan Scheme	33.3	32.2	31.4	30.8	29.0
Total Lending	276.6	275.0	58.8	55.8	53.5
On-Lending Agencies					
Housing Authority (HA)	25.5	25.5	22.8	-	-

Lending/On-Lending Fund Agencies	Jul-22	Jul-23	Jul-24	Jul-25	Jul-26(f)
Public Rental Board (PRB)	6.8	6.8	6.8	6.8	6.8
Total On-Lending	32.3	32.3	29.6	6.8	6.8
Total Outstanding Loans	308.9	307.4	88.4	62.6	60.3

(Source: Ministry of Finance)

Equity Investment

- 5.34 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 has been designated as public enterprises and are listed under Schedule 1 of the Public Enterprise Act. However, Government continues to report on all SOEs in which it has investment shareholding interest.
- 5.35 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, loans, and Government guarantees.
- 5.36 Government, through the Ministry of Public Enterprises, appoints Directors to serve on Boards of Public Enterprises and entities also listed in Schedule 3 of the Public Enterprise Act.
- 5.37 As part of its mandate, the Ministry of Public Enterprises conducts board inductions for newly appointed Directors of public enterprises to ensure Directors are aware of their duties and responsibilities as representatives of the shareholder in line with the provisions of the Public Enterprise Act.
- 5.38 **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 & Forests
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	100	Trade & Finance

	State Owned Entities	Shares (%)	Sector/Portfolio
	(UTOFML)		
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)	98.4	Agriculture
13	Assets Fiji Pte Ltd (AFPL)	100	Trade & Finance
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)

5.39 **Table 15** below shows the financial position and performance of all 25 SOEs.

Table 15: SOEs Portfolio Performance (\$Million)

Financial Indicators	Total SOE Portfolio			
	2022	2023	2024	2025
Total Assets	9,145.9	9,859.7	11,183.4	10,641.4
Total Liabilities	5,273.0	5,829.8	6,841.2	6,119.3
Shareholder's Equity	3,872.9	4,029.9	4,343.2	4,522.1
Total Revenue	2,378.2	3,148.6	4,150.6	4,574.3
Total Expenditure	2,315.5	2,915.3	3,977.3	4,388.8
Net Profit After Tax	62.7	233.2	173.3	185.5
Dividends	31.0	37.7	16.0	18.1
Return on Assets (ROA)	0.70%	2.45%	1.60%	1.74%
Return on Equity (ROE)	1.65%	5.90%	3.99%	4.10%
Debt to Equity	136%	145%	158%	135%

(Source: Ministry of Finance & Ministry of Public Enterprises)

5.40 Total asset base of the SOEs portfolio had grown significantly in the 3 years from 2022 to 2024 but declined in 2025, standing at \$10,641.4 million as at the end of 2025 with entities in the infrastructure and transport sector (EFL, WAF, ATH and Fiji Airways) having the largest asset base. Total liabilities stood at \$6,841.2 million in 2024 and has fallen to \$6,119.3 million in 2025. This has been mainly attributed to timely debt repayments and various internal funding of capital projects.

5.41 SOEs experienced an improvement in Net Profit after Tax, and this is mainly attributed to improved takings in the transport and infrastructure sector. Dividends received to date in the 2025 financial year stood at \$23.7 million.

5.42 **Table 16** below shows sectoral performance of SOEs. The notable increase in the Return on Assets in the Agriculture sector has been mainly due to FSC being able to generate substantially higher profits relative to its total asset base which had also substantially reduced their cost of sales. Their total comprehensive income had increased from a loss of \$4.2 million in 2024 to a profit of \$105.7 million in 2025. Major contributing factors to this increase has been the receipt of a Government grant for the EXIM Bank loan repayment and the conversion of Government debt into a grant.

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

Sector	2022		2023		2024		2025	
	ROA	ROE	ROA	ROE	ROA	ROE	ROA	ROE
Agriculture	-4.81	-4.27	-4.93	-4.00	0.99	4.48	62.25	-46.82
Communication	2.99	4.11	3.20	4.27	0.06	0.37	1.11	3.47
Fisheries & Forestry	3.60	4.19	3.33	3.88	0.93	4.36	2.55	2.98
Trade & Finance	17.97	40.85	0.61	1.21	-0.12	-0.48	3.01	3.28
Transport & Infrastructure	-0.29	-0.71	2.65	6.55	-2.79	1.05	0.46	1.01

(Source: Ministry of Finance & Ministry of Public Enterprises)

Dividends from Government Investments by Sector

5.43 **Table 17** below outlines the dividends received from SOEs by sector from 2021 to 2025.

Table 17: Dividends by Sector (\$Million)

Sector Type	2021	2022	2023	2024	2025
Agriculture	-	-	-	-	4.4
Communication	-	1.5	-	-	-
Fisheries & Forestry	-	-	0.4	-	-
Trade & Finance	-	-	0.8	0.7	-
Transport & Infrastructure	21.9	29.4	36.5	14.4	19.3
Total	21.9	30.9	37.7	15.1	23.7

(Source: Ministry of Finance & Ministry of Public Enterprises)

5.44 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. In FY2024-2025, Government received dividends from Fiji Ports (\$13.8 million), Yaqara Pastoral Co. Ltd (\$4.4 million), Airports Fiji Pte Ltd (\$5.0 million), and Air Terminal Services (\$0.5 million).

CHAPTER 6: FISCAL RISKS

- 6.1 Fiscal risks refer to the possibility that unforeseen events or developments may adversely affect Government's fiscal position, including revenue, expenditure, public debt, and contingent liabilities. In Fiji, these risks continue to stem from both domestic and external factors, including vulnerability to natural disasters, the financial performance of state-owned enterprises, revenue volatility, global economic uncertainty, commodity price fluctuations, and the growing impacts of climate change.
- 6.2 Against this backdrop, the effective identification, assessment, and management of fiscal risks remain critical to maintaining macroeconomic stability and fiscal sustainability. In an increasingly interconnected and uncertain global environment, fiscal risks have the potential to weaken Government's ability to deliver essential public services, respond to economic shocks, and meet its financial obligations. This chapter therefore examines the key fiscal risks confronting Government and outlines measures aimed at strengthening fiscal resilience, rebuilding fiscal buffers, and supporting long-term sustainable development.

Fiscal Risk Assessment Tool (FRAT)

- 6.3 Government undertook a comprehensive assessment of fiscal risks using the IMF FRAT. This analysis was essential in evaluating Fiji's resilience to potential future shocks, particularly in the context of the large fiscal deficits incurred during the pandemic and the resulting increase in public debt levels. Strengthening the understanding of fiscal vulnerabilities is critical to supporting prudent fiscal management and safeguarding long-term fiscal sustainability.
- 6.4 As part of efforts to strengthen fiscal risk management, Government has continued to identify and assess fiscal risks using the IMF FRAT. Conducting a comprehensive fiscal risk analysis remains important to evaluate Fiji's resilience to future economic and climate-related shocks, particularly in light of elevated public debt levels and ongoing global uncertainties.
- 6.5 The FRAT applies a systematic scoring methodology to assess both the probability of risks occurring and their potential fiscal impact. In addition, the framework broadens the scope of fiscal risk analysis to include institutional risks associated with policy implementation and good governance. This enhances Government's capacity to monitor, manage, and respond to emerging fiscal risks over the medium term.
- 6.6 The Fiscal Risk Matrix in **Figure 2.2** below identifies macroeconomic risks, Government assets and liabilities, public-private partnerships (PPPs),

Government guarantees and environmental risks as having a possible likelihood of occurrence, with the potential to generate significant fiscal costs should they materialise. Risks arising from public corporations are assessed as more likely to occur with a high fiscal impact. These findings highlight the importance of continued monitoring and proactive risk management to mitigate potential fiscal pressures and safeguard the sustainability of the Government’s fiscal position.

Figure 2.2: Fiscal Risk Matrix According to the FRAT Analysis

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

(Source: Ministry of Finance)

Macroeconomic Risks

6.7 Fiji’s economic outlook for 2026 and 2027 is expected to be shaped by a number of macroeconomic risks that could further moderate growth prospects. The prolonged fuel crisis, ongoing geopolitical tensions and uncertainty surrounding global trade and investment conditions are likely to weigh on global economic activity and external demand. As a small and open economy, Fiji remains particularly exposed to these developments through reduced tourism activity, weaker export demand and softer private sector investment, which could dampen the pace of economic growth over the forecast period.

6.8 Elevated global fuel and food prices are also expected to place continued pressure on domestic inflation, reducing household purchasing power and increasing operating costs for businesses. These conditions may constrain

consumer spending and business expansion, further moderating economic activity. With the recent signing of the peace deal between US and Iran and subsequent moderation in crude oil prices, the pass through of lower crude oil prices to the domestic economy will take at least 2 to 3 months as such inflation is expected to remain elevated in the near term. Domestically, ongoing shortages of skilled labour in key sectors could limit productivity and investment, while Fiji's exposure to natural disasters and climate-related events remains a significant downside risk. Such events have the potential to disrupt economic activity, damage critical infrastructure, increase fiscal pressures, and undermine overall economic resilience, particularly during a period of slower growth.

Government Assets and Liabilities

- 6.9 Government assets comprise physical, financial, and intangible resources that support the delivery of essential public services and represent significant public investments. Effective asset management is critical to maintaining service quality, preserving asset value, and ensuring the efficient use of public resources. Conversely, inadequate asset management can lead to asset deterioration, higher maintenance and replacement costs, service disruptions, and increased fiscal pressures on Government.
- 6.10 While the Financial Management Act 2004 and the Finance Instructions 2010 require all ministries and departments to maintain comprehensive Fixed Asset Registers, fiscal risks remain where asset maintenance, replacement planning, and lifecycle management are not adequately addressed. Delays in maintenance can reduce the operational lifespan of public assets, disrupt service delivery, and result in substantially higher rehabilitation and replacement costs over time. Strengthening asset management practices therefore remains a key priority in mitigating long-term fiscal risks.
- 6.11 Government also faces fiscal risks arising from financial obligations and potential liabilities. In addition to the monitoring of sovereign debt and contingent liabilities, attention is being directed towards other emerging fiscal exposures that may not be fully quantified or reported. These include potential liabilities associated with legal claims, contractual disputes, and the non-performance of obligations by Government entities. Strengthening the identification, assessment, and monitoring of such exposures is important for enhancing fiscal transparency and supporting long-term fiscal sustainability.
- 6.12 To address these challenges, Government has approved the Public Financial Management Improvement Plan 2026-2030, which outlines a comprehensive programme of public financial management reforms. The implementation of these reforms will strengthen asset management, improve fiscal risk monitoring, and enhance accountability across the public sector. Progress

against the Plan will be closely monitored and reported to ensure the effective management of public resources and fiscal risks.

Health PPP

- 6.13 PPPs remain an important mechanism for mobilising private sector capital, innovation, and technical expertise to deliver public infrastructure and services. Nevertheless, PPP projects may generate fiscal exposures arising from government guarantees, revenue support arrangements, and other contractual commitments. If not appropriately assessed and managed, such exposures can translate into direct liabilities, contingent liabilities, and future budgetary pressures.
- 6.14 In 2019, Government entered into its first PPP arrangement for the upgrading, operation, and maintenance of the Lautoka and Ba hospitals to improve the delivery of healthcare services. The project encountered implementation challenges, including disruptions arising from the COVID-19 pandemic. Since April 2022, both hospitals have been operated by Health Care Fiji, with services continuing to be provided free of charge to the public. Government has allocated \$120.0 million for the arrangement in FY2026-2027, compared to \$117.2 million in FY2025-2026. Government is currently reviewing and renegotiating certain provisions of the Concession Agreement in consultation with relevant stakeholders. The outcome of these negotiations may have fiscal implications for Government and is being assessed with technical support from the International Finance Corporation (IFC).
- 6.15 The Government of Fiji continues to engage with the Government of India on the proposed establishment of a 100-bed Super Specialty Cardiology Hospital in Fiji. Discussions remain ongoing, and any future fiscal commitments are still being assessed. Government will continue to prudently manage its obligations under existing agreements during FY2026-2027 while advancing discussions on the project's implementation.

Environmental Risks

- 6.16 Fiji remains highly vulnerable to climate-related and natural disaster risks, including tropical cyclones, floods, droughts, and extreme rainfall events. The increasing frequency and severity of these hazards pose significant fiscal challenges through damage to public infrastructure, disruptions to economic activity, and increased expenditure requirements for disaster preparedness, response, recovery, and reconstruction. Climate-related shocks can also adversely affect key sectors such as tourism and agriculture, reducing Government revenue while placing additional pressure on public finances. Furthermore, Government may be required to provide financial assistance and other forms of support to state-owned enterprises and essential service

providers affected by such events, resulting in higher fiscal costs and contingent liabilities.

- 6.17 Despite these challenges, Fiji continues to strengthen its financial resilience to disasters through innovative risk financing mechanisms. Following the impact of Tropical Cyclone Vaianu, the Pacific Catastrophe Risk Insurance Company (PCRIC) made a voluntary payout of US\$550,000 to Government. This marked the first payout received by Fiji under PCRIC's regional disaster risk financing arrangements and provided timely financial support for immediate relief and early recovery efforts. The payout demonstrated the practical value of pre-arranged disaster risk financing instruments in providing rapid liquidity following natural disasters, thereby reducing pressure on Government finances during emergency response periods.
- 6.18 To strengthen fiscal resilience and disaster preparedness, Cabinet has approved Fiji's National Disaster Risk Financing Policy 2026-2031. The Policy aims to ensure the availability of timely, adequate, and cost-effective financial resources to respond to and recover from climate and geophysical hazards, while safeguarding fiscal stability and protecting critical development expenditure. To support these objectives, Government has secured access to a range of contingent financing instruments, including a JPY5 billion Stand-by Facility for Disaster Recovery and Rehabilitation from JICA, a US\$40.0 million Catastrophe Deferred Drawdown Option (Cat DDO) from the World Bank under the International Development Association (IDA), and US\$10.0 million in contingent disaster financing from the ADB as part of the FY2025-2026 budget support programme.

Government Debt Risk

- 6.19 Government debt increased significantly during the COVID-19 pandemic, as the Government resorted to substantial borrowing to finance essential expenditures as tax revenues declined by almost 50 percent. Consequently, the debt-to-GDP ratio rose from 48.0 percent prior to the pandemic to 91.8 percent by the end of FY2021-2022 and remains more than 30.0 percentage points above pre-pandemic levels. Although the debt-to-GDP ratio has been on a downward trajectory since Fiji's economic recovery from the impacts of the pandemic and natural disasters, it is expected to increase in the medium term should further external shocks occur.
- 6.20 Interest payments on Government debt are consuming an increasingly larger share of the national budget as overall debt levels continue to rise. Although concessional borrowing has increased, with interest rates ranging between 0.20 and 1.00 percent, most infrastructure project loans have been fully drawn and are subject to higher variable market interest rates.

- 6.21 The Government's access to external concessional financing has increased in recent years, resulting in the domestic-to-external debt ratio marginally deviating from the benchmark target of 70:30 ($\pm 5\%$). If not carefully managed, this could expose the debt portfolio to increased exchange rate risks.
- 6.22 In terms of currency composition, external debt denominated in US dollars continues to dominate the portfolio, accounting for 85.8 percent of total external debt, followed by Japanese yen (JPY) at 5.8 percent and Chinese yuan (CNY) at 8.4 percent. Unfavourable exchange rate movements can adversely affect the Government's debt portfolio by increasing debt servicing costs and causing actual expenditures to exceed budgeted allocations.
- 6.23 According to the latest Article IV Consultation report by the IMF, released in May 2026, Fiji's public debt remains sustainable, although debt vulnerabilities are assessed as moderate. While the debt-to-GDP ratio has declined from its pandemic peak, fiscal buffers remain considerably weaker than pre-pandemic levels, limiting Government's capacity to respond to future economic shocks. Consequently, should additional fiscal support be required in response to adverse developments, the scope for meaningful intervention may be constrained, potentially resulting in more prolonged economic disruptions and lasting adverse effects on growth, employment, and investment.

Contingent Liabilities

- 6.24 Total contingent liabilities stood at \$1,771.9 million, equivalent to 12.6 percent of GDP, at the end of April 2026. The portfolio comprises explicit guarantees (63.9 percent), other explicit contingent liabilities (33.1 percent), and implicit contingent liabilities (3.0 percent).
- 6.25 Government-guaranteed debt amounted to \$1,131.5 million, representing 8.1 percent of GDP at the end of April 2026. This debt is classified as an explicit guarantee, whereby the Government assumes responsibility for debt servicing obligations in the event of borrower default. Several entities covered under these guarantees have been assessed as medium- to high-risk, posing significant fiscal risks should these liabilities materialise in the near term.
- 6.26 Some government-owned entities remain heavily reliant on Government financial support and continue to operate below breakeven levels or incur operating losses. Defaults on debt obligations by these state-owned enterprises may require direct capital injections from the central Government to maintain operations and ensure service continuity. This could create significant fiscal pressures, particularly where adequate budget provisions have not been made for unforeseen defaults.

- 6.27 In addition, the Government, in coordination with the RBF, has received indications of potential guarantee calls from several financial institutions relating to unrecovered debts owed by micro, small, and medium enterprises (MSMEs). As part of the COVID-19 recovery response, the Government provided guarantee support for financing extended to SMEs and MSMEs through participating financial institutions. While loan repayments have commenced and loan maturities have been extended to support borrowers, these facilities continue to pose fiscal risks, particularly if economic conditions deteriorate further and recovery options are exhausted.
- 6.28 The Government will continue to strengthen the management of contingent liabilities through enhanced monitoring, reporting and assessment of entities benefiting from Government guarantees and other forms of fiscal support. Ongoing oversight of the financial performance and risk profiles of these entities will facilitate the early identification and mitigation of potential fiscal pressures. These measures will support prudent fiscal management, reduce the likelihood of guarantee calls and other contingent liability exposures, safeguard fiscal space, and contribute to the long-term sustainability of public finances.

Public Investment

- 6.29 In 2025, IMF conducted a Public Investment Management Assessment (PIMA) and Climate-PIMA for Fiji. The assessments found that Fiji's framework for fiscal targets and rules supporting sustainable public investment demonstrates a moderate level of institutional strength and effectiveness.
- 6.30 The assessments identified five priority reform measures to further strengthen Fiji's public investment management framework. These include enhancing infrastructure planning and coordination across Ministries and agencies, improving maintenance planning and multi-year budgeting, strengthening the alignment of investment projects with national and sector strategies, and advancing key cross-cutting institutional reforms.
- 6.31 The fiscal risks associated with Fiji's public investment environment, as identified through the IMF FRAT, remain broadly unchanged from previous financial years. To mitigate these risks and strengthen the resilience and effectiveness of public investment management, timely implementation of the priority reforms identified under the PIMA and Climate-PIMA assessments will be critical.

State Owned Entities

- 6.32 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.
- 6.33 In response to these challenges, the Government, through the Ministry of Public Enterprises continues to strengthen the performance and financial sustainability of Public Enterprises through enhanced oversight, business modernization, digital transformation, and the adoption of innovative technologies to improve operational efficiency and service delivery. Public Enterprises are being encouraged to optimize asset utilization, strengthen revenue generation, pursue strategic partnerships, and explore alternative financing arrangements to reduce reliance on Government funding.
- 6.34 In addition, a balanced dividend framework is being promoted to support reinvestment in business growth and modernization while ensuring sustainable returns to Government. These measures are aimed at improving the commercial viability, resilience, and self-sufficiency of Public Enterprises, thereby reducing fiscal risks and enhancing the long-term value of Government's investments.
- 6.35 Complementing these initiatives, Ministry of Finance 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: TAX EXPENDITURE REPORT 2023-2024

Introduction

- 7.1 The Tax Expenditure Report (TER) 2023-2024 that has been prepared by the FRCS, provides Fiji's first comprehensive assessment of revenue foregone through tax concessions, exemptions, deductions, tax holidays, preferential rates and other special tax treatments. These measures are intended to support investment, employment, social objectives and economic development; however, it also reduces Government revenue available for public services and infrastructure development.
- 7.2 Transparent reporting of tax expenditures and other elements of the tax system provides a more comprehensive understanding of the impact of Government's fiscal policies on individuals, households, businesses, and the wider economy in Fiji. Comprehensive disclosure of these measures strengthens fiscal transparency, supports accountability in public financial management, and enables better assessment of whether tax concessions are achieving their intended economic and social objectives.
- 7.3 The report strengthens transparency and accountability by quantifying the fiscal cost of tax expenditures across Corporate Income Tax (CIT), VAT, Customs Duty Concessions and Investment Incentives. It adopts a Benchmark Tax System (BTS) approach, whereby any deviation from the standard tax system is classified as a tax expenditure and measured as revenue foregone.
- 7.4 The analysis is undertaken during a period of strong economic recovery following the COVID-19 pandemic. Revenue collections have recovered significantly since FY2020-2021, supported by the reopening of international borders, tourism growth and revenue reforms in the 2023-2024 Budget. Nevertheless, tax expenditures remain a significant fiscal cost and warrant regular monitoring and evaluation.

Summary of Major Tax Expenditures

- 7.5 The report identifies significant revenue foregone across the tax system as summarised in the **Table 18** below.

Table 18: Summary of Major Tax Expenditures

Category	2023 (\$M)	2024 (\$M)	% of GDP
Corporate Income Tax Expenditure	86.5	87.4	0.6-0.7
VAT Zero-Rated Supplies (projected FY2025-2026)	\$261.4		
Customs Duty Concessions	274.7	199.4	1.38-2.2
Investment Incentives	40.1	51.1	0.33-0.38

(Source: FRCS Tax Expenditure Report 2023-2024)

Corporate Income Tax Expenditures

7.6 The BTS for CIT is based on a broad-based conceptual framework that applies a single standard rate of 25.0 percent to all business income, with deductions limited to normal and necessary business expenses. A total of 156 CIT Expenditure provisions covering investment incentives, export concessions, tax holidays, employment incentives and sector-specific concessions is covered in the report. Total identifiable CIT expenditures amounted to approximately \$86.5 million in 2023 and \$87.4 million in 2024 (**Table 19**).

Table 19: Major Corporate Income Tax Expenditures

Category	2023 (\$M)	2024 (\$M)	2024 Percent of GDP
Export Income Deduction (EID)	27.6	23.1	0.17
Hotel Income Tax Concessions	29.0	39.8	0.29
Capital Gains Tax Concessions	20.2	17.0	0.13
Other Income Tax Concessions	6.0	6.5	0.05
Employment Incentives	3.8	1.0	0.01
Total CIT Expenditures	86.5	87.4	0.60%

(Source: FRCS Tax Expenditure Report 2023-2024)

7.7 Some key observations from the report on CIT expenditures include:

- The EID remains the largest individually identifiable concession and costs approximately \$23.1 million in 2024. However, it was not extended in the 2025-2026 Budget following international tax reform commitments. This measure enabled Fiji to be removed from the EU blacklist;
- Hotel income tax concessions increased by 37 percent, reflecting the strong recovery of the tourism sector; and
- Employment incentives declined significantly, suggesting lower utilisation or reclassification of claims.

7.8 The report notes that the actual fiscal cost of CIT expenditures is likely higher due to substantial deductions reported under broad “Other Allowable Deductions” which is yet to be accurately categorised.

Value Added Tax Expenditures

7.9 The BTS for VAT in Fiji is based on a destination-based consumption tax that applies to all private and public consumption of goods and services. There are 71 VAT expenditure provisions highlighted in the report consisting of import VAT exemptions, domestic VAT exemptions and zero-rated supplies. These measures are intended to support affordability, social welfare and targeted economic activities but also result in significant revenue foregone (**Table 20**).

Table 20: VAT Expenditure Inventory

Category	Type	No. of Provisions
Import VAT Exemptions	Exemption	21
Domestic VAT Exemption	Exemption	17
Zero-rated Supplies (General)	Zero-rating	11
Zero-rated Basic Food & Essential Items	Zero-rating	22
Total		71

(Source: FRCS Tax Expenditure Report 2023-2024)

- 7.10 The report estimates that revenue foregone from zero-rated supplies will reach approximately \$261.4 million in FY2025-2026, representing an increase of \$11.4 million over the previous year.

Table 21: Import VAT Exemptions

Year	Revenue Foregone (\$M)	Percent of GDP
2023	49.5	0.40
2024	28.8	0.21
2025	20.6	0.15

(Source: FRCS Tax Expenditure Report 2023-2024)

- 7.11 The decline in import VAT exemptions reflects the expiration of pandemic-related medical import exemptions, and the non-recurrence of one-off medical supply VAT waivers granted in 2023 (**Table 21**). The reduction of the VAT rate from 15 percent to 12.5 percent is projected to lower gross VAT collections by approximately \$200.4 million in FY2025-2026.

Customs Duty Concessions

- 7.12 Customs concessions remain Fiji's largest identifiable tax expenditure category. These concessions in form of waivers of Fiscal Duty and Import Excise Duty are intended to support production, investment, trade competitiveness and affordability.
- 7.13 The benchmark system is the statutory tariff schedule under the Customs Tariff Act. Any deviation from this schedule whether through reduced rates, exemptions, or waivers is classified as a tax expenditure.
- 7.14 Total customs concession tax expenditures amounted to \$274.7 million (2.2 percent of GDP) in 2023 and \$199.4 million (1.4 percent of GDP)

Table 22: Largest Customs Concession Categories (2024)

Concession Code	Category	Revenue Foregone (\$M)
236	Manufacturers	83.1
213	Duty Free Operators	22.4
231	Packaging Materials	14.9
266	Rice Imports	12.2
232	Duty Refund Importers	10.2
267	Cooking Oil Imports	6.1

(Source: FRCS Tax Expenditure Report 2023-2024)

7.15 As alluded to in **Table 22** above, manufacturers remain the largest recipients of customs concessions, accounting for approximately 43 percent of total customs revenue foregone in 2024.

Investment Incentives

7.16 Fiji offers a wide variety of both profit-based and cost-based tax incentives. Profit based incentives include income tax exemptions, reduced rates and tax holidays, while cost-based incentives include accelerated depreciation, investment allowances, super-deductions for operating expenditures and custom duty waivers.

7.17 Tax expenditures from approved investment incentives increased from \$40.1 million in 2023 to \$51.1 million in 2024, reflecting stronger investment activity and tourism sector expansion (**Table 23**).

Table 23: Investment Incentive Tax Expenditures

Incentive	2023 (\$M)	2024 (\$M)
Short Life Investment Package (SLIP) – Hotel	30.8	41.8
Tax Free Region	4.4	4.2
Standard Allowance	2.7	1.6
Warehouse Incentive	0.3	1.7
Other Incentives	1.9	1.8
Total	40.1	51.1

(Source: FRCS Tax Expenditure Report 2023-2024)

7.18 The SLIP under the hotel incentive accounted for over 80 percent of all incentive-related tax expenditures in 2024 and remains the most significant incentive programme in Fiji.

Policy Challenges and Recommendations

7.19 The report identifies several structural challenges that affect the accuracy of tax expenditure measurement:

- Approximately 20 percent of business income is estimated to remain unreported;
- Most corporate deductions are aggregated under broad reporting categories;
- Existing tax return forms do not adequately capture all tax expenditure provisions; and
- There is limited analytical capacity to evaluate the effectiveness of incentives.

7.20 Accordingly, the report recommends:

- Reviewing the corporate income tax filing system to improve data quality and reporting;
- Developing a microsimulation model to improve tax expenditure costing;
- Conducting Marginal Effective Tax Rate (METR) and Average Effective Tax Rate (AETR) analysis to assess the effectiveness of incentives; and
- Strengthening institutional capacity and tax expenditure monitoring frameworks.

7.21 The TER represents a major step towards fiscal transparency and evidence-based policymaking. It demonstrates that tax expenditures constitute a significant fiscal commitment, with identifiable concessions and incentives amounting to hundreds of millions of dollars annually. Going forward, regular reporting and evaluation will be essential to ensure that these measures continue to deliver economic and social benefits that justify their fiscal cost while supporting Fiji's broader development and fiscal sustainability objectives.

CHAPTER 8: EXTERNAL TRADE, DEVELOPMENT COOPERATION AND INVESTMENT FACILITATION

External Trade

- 8.1 Fiji's external trade agenda has become an increasingly important pillar of national economic growth, resilience, and international engagement. As one of the Small Island Developing States (SIDS) in the Pacific region, Fiji relies on trade for jobs, generate foreign exchange earnings, attract investment, and connect local businesses to global markets. The transfer of trade responsibilities to the Ministry of Foreign Affairs and External Trade (MFAET) has strengthened the integration of trade and diplomacy, allowing Fiji to pursue a more coordinated and strategic approach to advancing its economic interests internationally.
- 8.2 Fiji's trade strategy is guided by the NDP (2025-2029), Vision 2050, and the Foreign Policy White Paper, with a strong focus on expanding market access, diversifying exports, improving trade competitiveness, and ensuring that trade contributes to inclusive and sustainable economic development.

Fiji's Position in the International Trading System

- 8.3 Fiji participates actively in the global trading system through a broad network of multilateral, regional and bilateral trade agreements. These arrangements provide preferential market access for Fijian exports while enabling Fiji to influence the development of international trade rules. Fiji's key trade agreements include the World Trade Organization (WTO) Agreement, the EU–Pacific Interim Economic Partnership Agreement, UK-Pacific Interim Economic Partnership Agreement, the Melanesian Spearhead Group Trade Agreement (MSGTA), and the Pacific Island Countries Trade Agreement (PICTA). Fiji also benefits from preferential access through the Generalised System of Preferences (GSP) and the South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA).
- 8.4 Alongside these agreements, Fiji is a member of the Indo-Pacific Economic Framework for Prosperity (IPEF) and has signed and ratified Pillars II, III and IV, which focus on supply chain resilience, clean and fair economy.
- 8.5 Through these agreements, Fiji is no longer simply a recipient of trade preferences but is increasingly recognized as an active participant in shaping regional and global trade architecture. Fiji continues to advocate for the interests of small island economies, particularly in areas such as fisheries, digital trade, climate resilience, and sustainable development.

Highlights of FY2025-2026

Strengthening Fiji's Voice in Global Trade

- 8.6 A major highlight was Fiji's participation in the 14th WTO Ministerial Conference (MC14), held in Yaoundé, Cameroon from 26-29 March 2026 where Fiji played an active role in negotiations on fisheries subsidies, agriculture, electronic commerce, WTO reform, and dispute settlement. Working alongside Pacific and ACP countries, Fiji successfully advocated for outcomes that support small and vulnerable economies and improve participation in global trade. These discussions are critical for protecting Fiji's policy space while creating opportunities for exporters and businesses.
- 8.7 Fiji has also strengthened its position in ongoing WTO negotiations on digital trade, fisheries management, investment facilitation, environmental sustainability, MSME development, and trade and gender initiatives, demonstrating leadership on emerging global trade issues.

Advancing Sustainable Fisheries Trade

- 8.8 The WTO Fisheries Subsidies Agreement entered into force in September 2025 and represents one of the most significant developments affecting Pacific economies. Fiji undertook a comprehensive national gap analysis to assess legislative and institutional reforms required to comply with the Agreement. The exercise involved close collaboration among the Ministry of Fisheries, Ministry of Finance, FRCS, other relevant agencies and development partners.
- 8.9 This work is important not only for trade compliance but also for the long-term sustainability of Fiji's fisheries resources, food security, and rural livelihoods. Fiji has subsequently submitted a proposal to access support from the WTO Fisheries Fund to assist implementation efforts.

Bilateral Trade

- 8.10 Fiji achieved significant progress in strengthening bilateral trade relations with key economic partners. Most notably, Fiji and China concluded the Enhanced Economic Partnership Arrangement (EEPA) in November 2025. The agreement establishes a framework for expanding trade in goods, promoting investment, and enhancing economic cooperation between the two countries.
- 8.11 Similarly, Fiji's negotiations with the US under the Agreement on Reciprocal Trade resulted in a reduction of reciprocal tariffs on Fijian exports from 32

percent to 15 percent. This outcome improves the competitiveness of Fijian products in the US market and creates opportunities for export growth.

Regional Leadership and Market Access

- 8.12 Fiji continued to demonstrate regional leadership through its role as Pacific Co-Chair of the EU-Pacific IEPA. In January 2026, Fiji hosted the 11th EU-Pacific IEPA Trade Committee Meeting in Suva, bringing together Pacific members, observer countries, and EU representatives. Discussions focused on agricultural diversification, investment facilitation, sustainability, organic production, and the Regional Kava Development Strategy.
- 8.13 A significant achievement was the implementation of the Global Sourcing provision under the IEPA, which allows processed fishery products manufactured in Fiji to qualify for preferential access into the EU market. This provides a direct commercial benefit to Fiji's fisheries processing industry and enhances export opportunities.

Trade Facilitation

- 8.14 Recognising that market access alone is insufficient without efficient trade systems, Fiji has prioritised trade facilitation reforms to reduce the cost and complexity of doing business.
- 8.15 The launch of the Fiji Trade Information Portal in July 2025 marked a major milestone. The portal provides businesses with a single source of information on import and export procedures, permits, licences, fees, and regulations. This is particularly beneficial for MSMEs, which often face greater challenges navigating regulatory requirements.
- 8.16 At the same time, work has commenced on the National Single Window (NSW), which is expected to become Fiji's most transformative trade facilitation initiative. The NSW will allow traders to submit all trade-related information through a single electronic platform, reducing duplication, lowering compliance costs, improving transparency, and accelerating border clearance processes. Together, these reforms will strengthen Fiji's competitiveness, improve the business environment, and support export growth.

Preparing Fiji for Future Trade

- 8.17 Fiji is actively positioning itself to benefit from emerging trends in digital trade and resilient supply chains. The National E-Commerce Strategy 2025-2029 provides a roadmap for expanding digital trade opportunities, strengthening digital governance, enhancing cybersecurity, and supporting MSMEs to participate in online markets. Implementation has already

commenced with support from international partners and involves coordination across numerous government agencies.

8.18 Through the IPEF Supply Chain Agreement, Fiji is also participating in regional efforts to strengthen supply chain resilience. Fiji is represented on all three IPEF supply chain bodies and has participated in initiatives focused on healthcare, critical minerals, and battery supply chains. These engagements enhance Fiji's preparedness for future global disruptions while creating opportunities in emerging sectors.

Strategic Priorities for FY2026-2027

8.19 Looking ahead, Fiji's trade agenda will focus on translating agreements and policy frameworks into tangible economic outcomes.

8.20 Key priorities include:

- Finalising and launching the Fiji Trade Policy Framework 2026-2035, which will guide trade policy over the next decade and align with national development objectives;
- Implementing the National Single Window to modernise border management and improve trade efficiency;
- Advancing implementation of the WTO Fisheries Subsidies Agreement through legislative reforms, stronger monitoring systems, and enhanced reporting mechanisms;
- Continuing engagement in WTO negotiations ahead of the 15th Ministerial Conference, particularly on fisheries, digital trade, and WTO reform;
- Advancing bilateral negotiations with China, the United States, the United Arab Emirates, and India to secure new market access and investment opportunities; and
- Supporting exporters to maximise the benefits available under existing agreements, including the EU-Pacific IEPA and UK-Pacific IEPA.

8.21 The achievements recorded in FY2025-2026 demonstrate Fiji's growing influence in international trade policy and its commitment to creating practical opportunities for businesses, exporters, MSMEs, and communities. Looking ahead, successful implementation of key trade agreements, digital trade initiatives, and trade facilitation reforms will help Fiji attract more investment, enhance private sector competitiveness and create sustainable economic opportunities for all Fijians.

Development Cooperation

- 8.22 The Government anticipates a total sum of \$110.1 million in cash grants and \$145.1 million in Aid in Kind (AIK) from development partners in FY2026-2027 to support various capacity building programmes, infrastructure development, health, climate and community resilience, renewable energy, waste management and for general budget support (**Table 24**).

Table 24: Official Development Assistance 2024-2025 to 2026-2027 (\$Million)

Particulars	2024-2025 (a)		2025-2026 Revised (e)		2026-2027 (f)	
	\$	%	\$	%	\$	%
Cash Grants	151.5	81	120.2	44	110.1	43
Aid in Kind	35.8	19	156.1	56	145.1	57
Total ODA	187.2	100	276.3	100	255.3	100

(Source: Ministry of Finance)

- 8.23 The General Administration (GA) sector anticipates cash grants of \$21.4 million and AIK of \$23.0 million. Cash grants programmes include the implementation of the Climate Change Act 2021 by the European Union (EU), Gender Barrier Assessment under the Elsie Initiative Fund, Disaster Risk Management, and the Compact Development Funding Agreement by the Millennium Challenge Corporation (MCC). The AIK support is mainly provided through Japan International Cooperation Agency (JICA) and the Government of Japan, and includes training and long-term scholarship programmes in Japan, the volunteer programme, disaster risk reduction support, customs capacity development, community policing training, cybersecurity capability development, aviation safety facilities, and procurement of medical equipment for the RFMF. These programmes will be undertaken by the development partners in collaboration with the relevant implementing ministries and agencies, including the Ministry of Civil Service, Ministry of Foreign Affairs and External Trade, National Disaster Risk Management Office, FRCS, FCCC, Fiji Police Force, Ministry of Policing, RFMF, and Fiji Airports Ltd.
- 8.24 The Social Services (SS) sector is expected to receive cash grant support of approximately \$13.2 million and AIK support amounting to \$24.9 million. Cash grant support under the sector includes housing initiatives, funding for health-related support, the Social Welfare Management Information System, HIV response support, the Adaptation Fund Programme, and Fiji's Skills Development and TVET Reform. The AIK support is directed mainly towards health, education, housing, social protection and capacity development. Key programmes include JICA-supported prevention and control of non-communicable diseases, improvement of health service quality, Pacific co-learning towards resilient health systems, maternal and child health, TVET support, and the Economic and Social Development Programme for health. Support from the Government of Japan includes the procurement of medical

equipment, medical container support, school infrastructure assistance, and the provision of a mobile audiovisual examination vehicle. KOICA support includes the dispatching of experts, volunteers, senior advisors and medical doctors, scholarship support, health adaptation initiatives, health infrastructure support, and digital capacity building for women's socio-economic participation. These initiatives will be implemented by development partners in collaboration with relevant implementing ministries and agencies, including the Ministry of Health and Medical Services, Ministry of Education, Ministry of Housing, Ministry of Local Government, and Ministry of Women, Children and Social Protection.

8.25 The Economic Services (ES) sector is expected to receive cash grant support of approximately \$6.2 million and around \$30.8 million in AIK support. Cash grant support under the sector includes the Demonstration Farm and Regional Training Centre funded by the Government of Indonesia, as well as environment and climate-related programmes including Gov4Res, SAMBIO and the GEF 8 Umbrella Programme. The AIK support is mainly provided by JICA and the Government of Japan, and is directed towards fisheries, waste management, flood alleviation, disaster risk reduction, and coastal blue economy initiatives. Key initiatives include the Economic and Social Development Programme for waste management, procurement of waste management equipment, procurement of a fish research vessel and ice-making machine, the preparatory survey and project support for the Nadi Flood Alleviation Project, the Project for Disaster Risk Reduction of Widespread Volcanic Hazards in Southwest Pacific Countries, the Promotion of Regional Initiative on Solid Waste Management Phase 3, and the Technical Cooperation for Pacific Islands Coastal Blue Economy Project. These initiatives will be implemented by development partners in collaboration with relevant implementing ministries and agencies, including the Ministry of Fisheries and Forestry, Ministry of Agriculture, Waterways and Sugar Industry, and Ministry of Lands and Mineral Resources.

8.26 The Infrastructure Sector (IS) is expected to receive cash grant support of \$23.0 million and AIK support amounting to \$66.4 million. Cash grant support under the sector includes DFAT-funded support for the CWM Redevelopment Plan, New National Tertiary Hospital Masterplan, and the Fiji Social Infrastructure Programme, which covers key health, education and Fiji Water Supply Sanitation and Hygiene (WASH) programmes. The AIK support is mainly provided by JICA and the Government of Japan, and is directed towards transport infrastructure, maritime safety, meteorological services, disaster risk reduction, water services, energy transition, and road works machinery. Key initiatives include the procurement of oil spill equipment for the Maritime Safety Authority of Fiji, procurement of a Disaster Response Multi-Purpose Vessel, procurement of heavy machinery for road works, reconstruction of the Tamavua-i-wai Bridge, the Project for

Energy Transition in the Pacific Island Countries, capacity improvement for non-revenue water reduction in the Nadi/Lautoka region, and the construction of the Meteorological and Disaster Awareness Regional Centre for the Pacific. Support for the sector also includes JICA's technical cooperation and advisory support for vessel operation and maintenance, port operation and maintenance, meteorological and hydrological services, and disaster risk reduction capacity in the Pacific. These initiatives will be implemented by development partners in collaboration with relevant implementing ministries and agencies, including the Ministry of Public Works, Meteorological Services and Transport, Fiji Meteorological Service, Maritime Safety Authority of Fiji, WAF, and Government Shipping Services.

Fiji's Investment Environment

8.27 Global economic uncertainties, rising fuel prices, and increasing operational costs continue to affect investor confidence and business operations. Fiji's domestic investment climate has demonstrated resilience and growing momentum against a challenging global backdrop. The country's Net International Investment Position (NIIP) stood at -\$16.0 billion as at 31 December 2025, reflecting a significantly higher stock of foreign investment in Fiji compared to outward Fijian investment, an indicator of sustained investor confidence in the economy. Several structural drivers are reinforcing Fiji's investment attractiveness:

- Strong tourism recovery has underpinned renewed private sector confidence, supporting hotel refurbishments, new resort development, and ancillary services investment;
- Infrastructure investment momentum is growing, supported by increased public capital expenditure in roads, bridges, water systems, and urban development;
- Fiji's recognition as a regional digital hub is accelerating, anchored by the Google-supported Southern Cross Cable NEXT (SCC NEXT) subsea cable system, strengthening Fiji's connectivity and positioning for digital economy investment;
- Policy reforms, including the expansion of the Business Now digital platform, Investment Facilitation Committee, and streamlined approvals, are improving the ease of doing business and reducing bureaucratic friction for investors; and
- Macroeconomic stability, with manageable inflation and improving growth projections, provides a credible platform for sustained investment growth.

8.28 Fiji's medium-term investment outlook remains positive, supported by a strong project pipeline, continued infrastructure development, and alignment with national priorities under the NDP (2025-2029) and Vision 2050. The

Government's commitment to shifting from a regulatory-based model to a service-oriented investment facilitation framework further strengthens Fiji's competitive positioning in an increasingly discerning global investment market.

Investment Fiji: Mandate and Strategic Direction

- 8.29 Investment Fiji is dedicated to building a sustainable economy by attracting quality investments and expanding the nation's reach in international trade. Since 2022, Investment Fiji has undergone significant institutional transformation, modernising its operational model, expanding its global footprint, and deepening its sectoral expertise. This transformation was recognised internationally when Investment Fiji was awarded the AIM Investment Award 2025 in Abu Dhabi for Best FDI Agency for South, East Asia and Oceania. This landmark achievement reflects the quality of Fiji's investment promotion capability and its growing standing in the global investment community.
- 8.30 Investment Fiji's Strategic Plan 2025-2027 prioritises attracting high-quality, sustainable investment across key sectors while emphasising technological advancement, environmental resilience, and inclusive economic outcomes. The strategy is anchored around three pillars:
- *Investment Attraction*: Proactive outreach to targeted source markets, conversion of leads into committed investment, and strategic positioning of Fiji as a premium investment destination;
 - *Investment Facilitation*: End-to-end support for investors from initial engagement through to project operationalisation, including advocacy, approvals coordination, and post-establishment services; and
 - *Investment Environment Reform*: Collaboration with the Government to identify and resolve systemic constraints, streamline regulatory processes, and improve the overall business climate.

Investment Facilitation

- 8.31 Investment Fiji has built a substantial and growing portfolio of managed investments across diverse sectors of the economy. The organisation's facilitation outcomes reflect both the depth of its engagement with investors and the growing confidence of the international investment community in Fiji as a destination.
- 8.32 Investment Fiji is actively supporting 254 significant investment projects, representing a combined potential investment value of \$8.9 billion. These projects span key sectors including tourism and hospitality, real estate and

urban development, digital infrastructure, renewable energy, agriculture, and manufacturing. The active portfolio consists of:

- 107 projects are currently under construction and are projected to become operational within the next three years, providing a near-term pipeline of economic activity, employment generation, and foreign exchange earnings;
- 95 projects are in advanced pre-development stages and are expected to break ground in the near term, sustaining Fiji's investment momentum through the medium term; and
- The remaining portfolio comprises projects in planning, feasibility, and approval stages, underpinning a long-term pipeline of investment opportunities across priority growth sectors.

8.33 Since 2022, Investment Fiji has managed projects demonstrating sustained and growing investment activity across the economic cycle. Notable facilitated investments include:

- *Lyndhurst Group*: Koro Development Project, one of the landmark developments for a business park in Nasinu, reflecting strong investor confidence in Fiji's long-term growth trajectory and positioning Fiji as a commercial powerhouse in the Pacific;
- *Google SCC NEXT*: a transformational digital infrastructure investment supported by Google, connecting Fiji to high-speed international internet connectivity and cementing its role as the Pacific's premier digital hub. This project has significantly enhanced Fiji's attractiveness for technology, outsourcing, and digital services investment;
- *Tourism Investment Portfolio*: a growing portfolio of tourism investments, including Sofitel-Na Tomba, Sofitel - Vatu Talei, The Jewel, Nukuloaloa Resort and Spa. These projects are expanding Fiji's high-end accommodation inventory and broadening its tourism offering;
- *Labasa Growth Centre Development*: emerging large-scale investments in the Northern Division reflecting expanding investor interest beyond traditional development corridors and supporting balanced regional economic growth; and
- *ICT and Business Process Outsourcing*: continued expansion in Fiji's outsourcing sector, leveraging Fiji's English-speaking workforce and regional connectivity.

Investment Promotion and Market Engagement

- 8.34 Investment Fiji has significantly intensified its global investment promotion activities through a structured, tiered market engagement strategy. This approach prioritises high-impact outreach in established source markets while systematically developing new and emerging markets aligned with Fiji’s sectoral investment priorities. Key markets under active engagement include:
- *Established markets:* Australia, New Zealand, China, and Papua New Guinea, which collectively represent the largest source of investment leads and committed projects;
 - *High-growth target markets:* Japan, India, Sri Lanka, and Canada, where Investment Fiji has conducted high-level business missions, Government-to-Government dialogues, and targeted investor forums to build Fiji’s investment profile and convert interest into tangible commitments; and
 - *Niche and emerging markets:* South Korea, Israel, and Pacific Island Countries, including the Cook Islands and Solomon Islands, where Investment Fiji is exploring specialised opportunities in technology, agri-tech, and services.

8.35 These promotional efforts are generating a strong, diversified lead pipeline, with notable interest in tourism, ICT services, agriculture and agri-tech, manufacturing, and real estate. Investment Fiji’s participation in international events, bilateral forums, and trade missions continues to convert these leads into investment commitments, with engagements in New Zealand, Japan, India, Sri Lanka, and Australia serving as pivotal platforms for expanding Fiji’s global economic footprint.

8.36 A Memorandum of Cooperation with the Japan External Trade Organization (JETRO) was formalised during the 10th Pacific Island Leaders Meeting (PALM) in Tokyo, strengthening bilateral economic cooperation and paving the way for enhanced trade and investment flows between Fiji and Japan.

Economic Diversification Initiatives

8.37 Investment Fiji is actively driving economic diversification through targeted sector development initiatives that expand Fiji’s investment base beyond its traditional reliance on tourism. Key diversification priorities include:

- *Commercial Agriculture:* The Cabinet-approved Commercial Agriculture Taskforce, facilitated by Investment Fiji, is identifying viable investment opportunities in high-value and export-oriented agricultural ventures. The Taskforce has received multiple investment proposals and facilitated successful market entry missions for

companies seeking to expand agricultural operations in Fiji, with a focus on agri-tech, horticulture, and aquaculture;

- *International Education Tourism*: through the International Education Tourism Taskforce, Investment Fiji is developing Fiji as a destination for international students and researchers, leveraging its English-speaking environment, diverse tertiary programmes, and distinctive Pacific cultural experience. This initiative creates complementary demand for tourism and hospitality investment while strengthening Fiji's reputation as a regional centre for learning and innovation; and
- *Renewable Energy and Climate-Resilient Investment*: Investment Fiji is actively promoting Fiji's renewable energy sector to international investors, aligned with the Government's climate commitments and growing global demand for green investment opportunities. This includes solar, wind, and ocean energy projects that contribute to Fiji's energy security and climate resilience.

Future Projects and Investment Pipeline

8.38 Investment Fiji's forward-looking pipeline reflects the breadth and ambition of Fiji's investment agenda. Key projects and development initiatives expected to progress through the FY2026-2027 and beyond include:

- *Tourism Expansion*: continued development and operationalisation of internationally branded resort and hotel projects across Fiji's established and emerging tourism corridors, including Denarau, the Coral Coast, Vanua Levu, and the Mamanuca and Yasawa groups. New market entrants are expected from the Middle East, Europe, and Asia, diversifying Fiji's tourism investment base;
- *Digital Economy Infrastructure*: expansion of Fiji's digital infrastructure, building on the SCC NEXT investment to attract data centre, cloud services, and technology outsourcing projects. Fiji's positioning as a Pacific digital hub is expected to catalyse a new wave of technology-enabled investment in the medium term;
- *Agribusiness and Agri-tech*: commercial agriculture investments facilitated through the Taskforce are expected to progress to the execution stage, with a focus on export-oriented production, value chain development, and technology integration. Interest from investors in India, Australia, and Israel in agri-tech applications is being actively converted into bankable projects;
- *Urban Real Estate and Mixed-Use Development*: a growing pipeline of commercial real estate, mixed-use, and residential development projects across Suva, Nadi, Lautoka, and Labasa is expected to advance, supported by strong demand fundamentals and improving investor confidence in Fiji's property market;

- *Manufacturing and Value-Added Processing*: targeted investments in food processing, timber, and light manufacturing are being developed in partnership with domestic entrepreneurs and international investors, aimed at reducing import dependency and creating new export revenue streams; and
- *Business Now Platform Enhancement*: The Business Now platform will be expanded into a fully integrated digital ecosystem, enabling end-to-end processing of investment approvals, real-time project tracking, and performance monitoring, further improving transparency and reducing time and cost for investors.

CHAPTER 9: 2026-2027 TAX POLICY MEASURES

Part 1 – Direct Tax Measures

(i) Income Tax Act

Policy	Description								
1. Tax Deduction for Development of New Sporting Facilities	<ul style="list-style-type: none"> ➤ A business will be allowed a 150% tax deduction for the full amount of expenditure incurred within a tax year on the establishment of new sporting facilities. 								
2. Tax Incentive - Cement Mill	<ul style="list-style-type: none"> ➤ A new incentive with tax holidays and import duty concessions will be available for businesses setting up a new cement mill. ➤ Businesses that invest \$20 million or more will qualify for a 13-year tax holiday. 								
3. Tax Incentive - Mahogany Sawmill	<ul style="list-style-type: none"> ➤ A new incentive with tax holiday and import duty concession will be available for businesses to set up a new mahogany sawmill. ➤ Businesses that invest \$5 million or more will qualify for a 5-year tax holiday, with the option for renewal subject to review. 								
4. Tax Incentive - Joint Ventures with i-Taukei	<ul style="list-style-type: none"> ➤ A new incentive with tax holidays and import duty concessions will be available for companies with a minimum 30% i-Taukei shareholding, establishing eco-tourism, culture and arts business centres. ➤ The tax holidays tiers are as follows: <table border="1" data-bbox="571 1110 1095 1214"> <thead> <tr> <th>Investment Level</th> <th>Tax Holiday</th> </tr> </thead> <tbody> <tr> <td>\$5,000,000 to \$10,000,000</td> <td>7 years</td> </tr> <tr> <td>\$10,000,001 and above</td> <td>13 years</td> </tr> </tbody> </table> 	Investment Level	Tax Holiday	\$5,000,000 to \$10,000,000	7 years	\$10,000,001 and above	13 years		
Investment Level	Tax Holiday								
\$5,000,000 to \$10,000,000	7 years								
\$10,000,001 and above	13 years								
5. Tax Incentive - Animal Centres	<ul style="list-style-type: none"> ➤ A new incentive with tax holidays and import duty concessions will be available for businesses to set up new animal centres. ➤ The tax holidays tiers are as follows: <table border="1" data-bbox="571 1389 1095 1519"> <thead> <tr> <th>Investment Level</th> <th>Tax Holiday</th> </tr> </thead> <tbody> <tr> <td>\$100,000 to \$250,000</td> <td>5 years</td> </tr> <tr> <td>\$250,001 to \$1,000,000</td> <td>7 years</td> </tr> <tr> <td>\$1,000,001 and above</td> <td>13 years</td> </tr> </tbody> </table> 	Investment Level	Tax Holiday	\$100,000 to \$250,000	5 years	\$250,001 to \$1,000,000	7 years	\$1,000,001 and above	13 years
Investment Level	Tax Holiday								
\$100,000 to \$250,000	5 years								
\$250,001 to \$1,000,000	7 years								
\$1,000,001 and above	13 years								
6. Animal Centres - Donation	<ul style="list-style-type: none"> ➤ A 200% tax deduction will be available for donations made to animal centres including veterinary, sanctuaries and other animal support facilities. 								
7. Tax Deduction for sponsorship	<ul style="list-style-type: none"> ➤ A 200% tax deduction will be available for cash sponsorship, not less than \$100,000 made to the Bula FC. 								

Policy	Description
8. Fijian Drua - Donation	➤ The cash sponsorship threshold will be lowered from \$250,000 to \$100,000 while the 200% tax deduction will be maintained.
9. Electronic Fiscal Device (EFD) Implementation Incentive	➤ A 150% tax deduction will be introduced to support the installation, implementation, and operation of EFDs.
10. Fuel & Gas storage tanks - Accelerated Depreciation	<ul style="list-style-type: none"> ➤ A new accelerated depreciation allowance will be introduced for the construction of Fuel & Gas storage facilities. ➤ Depreciation can be claimed at the rate of 20% for a period of 5 years.
11. Access to Business Funding - Platform Providers	➤ A 5-year tax holiday period will be introduced for licensed Peer-to-Peer Lending (P2PL) and Equity Crowdfunding (ECF) platform providers.
12. Access to Business Funding - Investor	<ul style="list-style-type: none"> ➤ Investors in licensed P2PL platforms will be exempted from tax on interest income for investments up to \$200,000 per year. ➤ Any excess investment above this threshold will be taxed under general rules.
13. Access to Business Funding (ATBF) - Institutional Investors	<ul style="list-style-type: none"> ➤ Institutional investors in licensed P2PL platforms will be exempted from tax on interest income. ➤ Investment cap will be aligned to the Access to Business Funding Act.
14. Access to Business Funding - Investor	➤ The CGT exemption will be extended to include disposal of shares for listed companies that have undertaken transactions enabled by the ATBF Act.
15. Investment Allowance - Training Institutes	➤ A 150% investment allowance will be available for businesses that establish training centres, institutes or technical centres to upskill their workforce.
16. Employment Taxation Scheme (ETS)	<ul style="list-style-type: none"> ➤ The 300% tax deduction available for wages or salaries paid for work placements, apprenticeships and part-time workers will be extended until 31 December 2027. ➤ The 400% tax deduction currently available for wages or salaries paid to persons with disabilities will also be extended until 31 December 2027.
17. Sub-Division of Land Incentive	➤ The Subdivision of Land Incentive will be extended until 31 July 2030.
18. Reorganization of Group Companies	➤ The re-organisation provision is extended to allow for CEO's discretion in cases where companies wish to restructure but do not meet standard requirements.
19. ICT business Definition	➤ The ICT business definition in the ICT Infrastructure Investment Incentive Regulations will be updated and aligned with the ICT business definition in TFR Incentive and the ICT Business Incentive.

Policy	Description
20. Tax Free Region	➤ The Tamavua Tax Free Region sunset clause will be updated from 1 August 2021 to 31 December 2028.
21. Loss Carry Forward	➤ The loss carry forward provision will be extended from 8 years to 15 years for companies in the aviation sector that offer international flights.
22. Capital Gains Tax (CGT) Certificates	➤ CGT administration provisions will be amended to require taxpayers to notify the tax office if planned capital disposals are not executed for which a CGT certificate was issued.
23. Provisional Tax Monthly Summary	➤ Monthly provisional tax filing requirements will be extended to also include details for businesses holding a Certificate of Exemption (COE).
24. Inventory & Asset Write Off	➤ Inventory or asset write off exceeding \$250,000 will now require prior approval from the CEO.
25. Fiji National Provident Fund (FNPF) - Additional Contribution Incentive	➤ The FNPF employer contribution exceeding the mandatory 8% and up to 10% will be eligible for a 150% tax deduction on the excess amount.
26. Electric Vehicle (EV) Charging Stations - Accelerated Depreciation	➤ A 100% accelerated depreciation incentive will be available for businesses that set up EV charging stations.
27. Country-by-Country Reporting (CbCR)	<ul style="list-style-type: none"> ➤ New provisions will require multinational enterprise (MNE) groups operating in Fiji with global revenue of EUR \$750 million or more to file a country-by-country report. ➤ This report will set out the group's operations, profit allocation, economic activities, and taxes paid across jurisdictions.

(ii) Tax Administration Act (TAA)

Policy	Description
1. Beneficial Ownership (BO) Framework	➤ A new Beneficial Ownership framework will be implemented to ensure that the ultimate natural persons who own or control legal entities (such as companies, trusts, and partnerships) are properly identified and held accountable.
2. Automatic Exchange of Information (AEOI)	➤ New provisions will be introduced to allow the annual automatic exchange of financial data account between tax jurisdiction for the purposes of AEOI.

Policy	Description
3. VAT Refunds	➤ The VAT refund claim period for diplomatic missions and international organisation will be aligned with the general 3-year rule.
4. Tax charge on a property	➤ A new provision will be introduced to permit, where there is a charge by FRCS, the sale of a taxpayer's property with the taxpayer's consent, without the need to obtain a court order.
5. Debt write-off	➤ The debt-write-off amount that can be approved by the CEO of FRCS will be increased from \$100,000 to \$500,000.
6. Accounts & Records for tax purpose	<ul style="list-style-type: none"> ➤ The accounts & records provision will be amended to ensure that taxpayers maintain records in a manner that enables the CEO to readily ascertain tax liability. ➤ This ensures that disorganized, incomplete, or unsequenced records will no longer suffice, even if documents technically exist.
7. Power to Enter & Search	➤ The power to enter and search provisions will be amended to ensure that any evidence (document, record or data storage device) collected during tax crime investigations is admissible in court.
8. Protection of Tax Officers	➤ A new provision will be introduced to protect tax officers when taxpayers behave violently or act in a non-cooperative manner during the course of tax administration.
9. Tax Agent Fees	➤ A new provision will be introduced to expressly authorize the collection, administration, and utilization of Tax Agents License Fees through FRCS accounts and financial systems.

Part 2 – Indirect Tax Measures

(iii) Value Added Tax (VAT) Act

Policy	Description
1. Time of Supply	<ul style="list-style-type: none"> ➤ A new provision will be introduced under the special time of supply rules for the tourism industry. ➤ VAT on supplies will be accounted for at the time of checkout or at the end of the stay
2. Import VAT on Electric Motor Vehicles	➤ Import VAT will apply to electric motor vehicles at the time of importation.
3. Drug Rehabilitation Incentive	➤ Import VAT will be exempted from the importation of capital goods for the establishment of a drug rehabilitation centre.

(iv) Customs Act

Policy	Description
1. Examination of goods subject to customs control	➤ The examination of goods provision will be extended to include: 1. Chemical analysis or any other testing; 2. Valuation of goods
2. Customs Offence	➤ The customs offence provision will be extended to include the failure to produce documents required under any customs law.
3. Recovery of Duties	➤ The duty recovery period will be extended from 1 year to 5 years in line with the customs audit period.
4. Power to question persons	➤ A new provision will be introduced to empower customs officers to question traders associated with any uncustomed imported, exported and excise goods.
5. Licensing - Cargo Agents	➤ The licensing provision will be extended to include cargo agents
6. Definition	➤ The definition section will be updated to cover the licensing of cargo agents, customs agents, freight forwarders, yacht agents, and bonded consol freight stations.
7. Licensing - Yacht Agents	➤ The licensing provision will be extended to include yacht agents
8. Licensing fee – Yacht Agents	➤ The licensing fee for yacht agents will be \$5,000 for a 3-year period.
9. Interpretation - Superyacht agent	➤ The definition of a superyacht agent will be extended to include a yacht agent licensed under Section 148 of the Customs Act.

(v) Customs Regulations

Policy	Description
1. Authorised Economic Operators (AEO) program	➤ The waiver of special attendance charges for Authorised Economic Operators (AEO's) will be formalized.

(vi) Excise Act

Policy	Description
1. Definition - Liquer	➤ For ease of administration, a new definition for "liquer" will be introduced.
2. Duty Rate - Liquer	➤ A new duty rate for "liqueur" will be introduced and will be aligned with the "spirit" duty rate based on alcohol strength.

(vii) Customs Tariff Act

Policy	Description
1. Price actually paid or payable - Interpretation	➤ The interpretation of "price actually paid or payable" will be amended to capture payments made in forms other than money in line with the WTO standards.

(viii) Customs Tariff

Policy	Description
1. Fuel Duty Relief - Mining, Manufacturing & Hotel Operators	➤ Exemption of fuel duty will be extended to the following sectors based on the following conditions effective from 1 July 2026 to 31 October 2026: 1. Hotels - Eligible only if not connected to the EFL grid. 2. Mining operations - Limited strictly for power generation. 3. Manufacturing companies - Applicable only to approved manufacturers that use diesel for power generation, specifically for boilers. ➤ The fuel concession will not be extended for vehicle use.
2. Import Excise Duty on Motor Vehicles	➤ Import excise duty on new passenger vehicles will be increased from 5% to 10% and on used vehicles from 5% to 15%.
3. Fiscal Duty on Motorboats	➤ The fiscal duty on motorboats less than 7.5m in length will be aligned to HS code 8903.99.90 at the rate of 32%.
4. Concession Code 115 - Vessels	➤ Concession Code 115, which currently allows for the importation of vessels that cannot be manufactured locally, will be deleted. Its administration will be shifted to under Concession Code 124, subject to a 5% fiscal duty.
5. Concession Code 129(b) and 129(c) - Hybrid Motor vehicles	➤ Concession Code 129(b) and 129(c) will be made redundant as the standard and concession rates for new and used hybrid motor vehicles have been aligned.
6. Concession Code 135 - Batteries or Hybrid battery cells	➤ Concession Code 135 will be made redundant as the standard and concession rates for batteries and power banks have been aligned.

Policy	Description
7. Concession Code 215A - Approved Entities and Individuals	➤ Code 215A will be updated to correctly reference goods cleared under natural disaster relief, in accordance with Section 91 of the National Disaster Risk Management Act 2024.
8. Concession Code 217 - Air Service approved by the Minister of Civil Aviation	<ul style="list-style-type: none"> ➤ Concession Code 217 will be extended to formalize the sale of approved goods on in-flight services. ➤ Additionally, the conditions will be also extended to permit in-flight sales to passengers during international voyages.
9. Concession Code 228 - Bonafied Tourist (Ships & Aircraft)	<ul style="list-style-type: none"> ➤ Concession Code 228 goods eligible for concession will be updated to include private jets, sailing yachts and motor vessels. ➤ Additionally, the condition will be amended to specifically apply to sailing yachts and motor vessels, which are designed and equipped for pleasure cruising.
10. Concession Code 273 - Companies or Entities	➤ Concession Code 273 conditions will be amended to include specialized equipment for water treatment, desalination and sewage treatment.
11. Concession Code 284 - Companies or Entities engaged in approved government projects	➤ Concession Code 284 will be extended to include "any other goods" as per the host country's agreement.
12. Concession Code 110 - Goods imported for disabled persons	➤ Concession Code 110 will be expanded to include vehicle modification accessories such as ramps, lifts, lowered floors, and wheelchair anchoring systems.
13. Concession code 308 – Drug Rehabilitation Incentive	<ul style="list-style-type: none"> ➤ A new customs concession code will be introduced for the Drug Rehabilitation Incentive. ➤ The concession waives duty and imports VAT on the importation of raw materials, capital equipment, plant and machinery.
14. Duty on Passenger Vans	➤ The fiscal duty on the importation of new 10-to-15-seater passenger vans will be reduced from 5% to 0%.
15. Duty on Surveillance Cameras	➤ The fiscal duty on the importation of surveillance cameras will be reduced from 5% to 0%.
16. Duty on Plastic Items	➤ The fiscal duty on the importation of plastic tableware & kitchenware items will be reduced from 32% to 15%.
17. Duty on Flavored Milk	➤ The fiscal duty on the importation of flavored milk will be reduced from 32% to 15%.

Policy	Description
18. Duty on Aluminium Structures	➤ The fiscal duty on the importation of aluminium structures such as doors and windows will be reduced from 32% to 15%.
19. Duty on PVC Boards	➤ The fiscal duty on the importation of PVC boards will be reduced from 32% to 15%.
20. Duty on Plant-based protein food preparations	➤ The fiscal duty on the importation of plant-based protein food preparations will be reduced to 0%.
21. Cosmetic Change – Customs Tariff	<ul style="list-style-type: none"> ➤ HS code 8703.10.30 - Description ➤ HS code 8703.10.40 - Description ➤ HS code 4802.62.20 - Heading ➤ HS code 1806.20.20 - Terms of Heading ➤ Concession Code 113 - Delete items for administration ease ➤ HS Code 4412.39.00 & 4412.31.00 - 1 Dash ➤ HS Code 8806.10.00 - Heading ➤ Concession Code 236C - Wording ➤ 4-digit code 8807 - 2 Dash ➤ HS Code 7418.10.00 - Description ➤ HS Code 8903.99.00 - Sub-Heading

(ix) Fiji Revenue Customs Service Act

Policy	Description
1. Secrecy	➤ The secrecy provision will be amended to allow revenue officers to release information to representatives of taxpayers.
2. Publication of Tax Agents	➤ A new provision will be introduced to allow the publication names of tax agents whose licenses have been suspended and/or cancelled.

(x) Tourism Services Tax Act

Policy	Description
1. Tourism Services Tax	<ul style="list-style-type: none"> ➤ A new Tourism Services Tax will be introduced at the rate of 5%. ➤ It will apply exclusively to licensed hotels and tour operators above the \$2 million threshold effective from 1 September 2026.

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

Policy	Description
1. Import Threshold for antique, high-end and luxury vehicles	➤ The current \$500,000 threshold for the importation of antique, vintage, high-end, luxury vehicles will be reduced to \$250,000.
2. Goods which may be imported only on conditions	➤ In line with Section 55(4) of the Telecommunications Act provisions, goods requiring permits from TAF will be considered under Schedule 5 of CPIER.

APPENDICES

Table 1: Calendar Year Real GDP by Sector 2021-2028 (\$Million)

Activity	Base Weight	2021	2022	2023	2024(p)	2025(e)	2026(f)	2027(f)	2028(f)
AGRICULTURE	11.3	1,380.3	1,441.1	1,509.0	1,567.1	1,590.9	1,623.0	1,701.4	1,784.1
General Government	0.1	8.3	8.6	8.7	8.9	9.3	9.4	9.4	9.5
Subsistence	1.8	210.0	215.3	222.3	226.0	232.8	239.8	244.6	249.4
Formal Non-Government Agriculture	9.0	1,112.8	1,166.9	1,226.0	1,279.4	1,294.9	1,318.3	1,390.8	1,467.4
Taro	0.7	81.7	95.9	98.1	99.6	109.5	113.9	119.6	125.6
Sugarcane	0.7	60.2	69.6	66.2	56.1	62.2	62.2	64.3	66.4
FORESTRY AND LOGGING	0.3	72.0	63.5	55.4	59.4	75.1	77.6	82.2	86.0
FISHING AND AQUACULTURE	0.8	77.4	77.7	88.7	98.8	90.3	81.5	83.8	85.5
Formal Non-Government Fishing and Aquaculture	0.5	39.2	39.5	49.4	58.7	50.2	40.7	42.6	43.9
MINING & QUARRYING	0.9	77.1	73.4	65.9	70.0	77.0	84.5	91.3	97.6
MANUFACTURING	11.3	1,035.4	1,109.6	1,105.7	1,136.5	1,154.0	1,169.5	1,194.4	1,225.6
Informal manufacturing	2.5	255.0	278.8	280.0	281.2	282.6	284.0	285.4	291.2
Sugar	0.6	3.6	7.8	5.0	5.6	4.9	5.1	5.5	6.0
Mineral water	1.4	118.1	105.7	84.1	82.5	73.2	76.2	77.7	80.0
Wearing apparel	0.4	23.2	23.3	23.1	20.1	21.8	22.2	22.9	23.3
ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	1.4	167.6	192.7	199.3	218.6	224.8	225.9	232.9	240.2
WATER SUPPLY, SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	0.5	57.1	59.0	63.8	65.9	68.4	69.1	71.1	72.6
CONSTRUCTION	3.0	182.6	228.9	225.5	211.7	215.8	224.5	235.9	249.3
Formal Non-Government Construction	2.0	87.8	124.8	122.3	110.2	111.3	116.9	125.1	135.1
WHOLESALE AND RETAIL AND REPAIR OF MOTOR VEHICLES AND MOTOR CYCLES	10.2	916.0	1,102.6	1,171.4	1,203.0	1,287.8	1,307.7	1,338.0	1,365.4
Informal WRT	2.6	285.1	306.1	311.1	314.9	321.5	324.7	330.2	334.2
Formal Non-Government WRT	7.6	630.9	796.5	860.3	888.2	966.3	983.0	1,007.8	1,031.3
TRANSPORT AND STORAGE	5.3	165.7	750.9	1,007.8	904.6	868.1	831.7	843.0	865.5
Formal Non-Government Transport & Storage	5.2	155.3	738.4	994.7	890.7	854.0	817.3	828.3	850.5
Water & air transport	1.6	-92.5	354.6	612.1	467.9	411.7	370.6	370.6	381.7
ACCOMMODATION AND FOOD SERVICE ACTIVITIES	5.9	125.4	402.9	584.0	623.9	636.3	649.7	669.0	688.9
Formal Non-Government Accommodation and Food Service Activities	5.8	113.7	388.5	569.1	608.8	620.9	634.0	653.0	672.6
Short-term accommodation activities/camping grounds, recreational vehicle parks and trailer parks	5.2	79.7	332.3	508.9	544.5	551.6	562.6	579.5	596.9
INFORMATION AND COMMUNICATION	3.0	263.2	316.4	323.6	339.0	353.4	365.2	380.5	396.4
Formal Non-Government Information and Communication	3.0	259.3	312.7	318.8	332.9	347.1	358.8	374.1	390.0
Wired telecommunications activities	0.5	57.1	67.0	63.6	66.6	67.9	69.9	72.7	75.6
Wireless telecommunications activities	1.6	157.6	182.6	195.0	200.1	212.1	220.6	231.6	243.2
FINANCIAL AND INSURANCE ACTIVITIES	6.7	725.1	850.5	919.3	981.1	1,012.7	1,034.2	1,057.5	1,082.1
Central banking	0.2	19.4	18.6	17.7	18.6	19.0	19.4	19.8	20.2
Other monetary intermediation	3.7	388.5	487.4	561.3	555.6	561.2	572.4	583.8	595.5
Activities of holding companies	0.6	62.6	63.5	63.9	63.9	64.1	64.2	64.4	64.5
REAL ESTATE ACTIVITIES	3.1	310.5	311.3	293.0	298.2	301.1	305.1	309.2	312.5
Owner Occupied Dwellings	2.4	255.9	244.3	230.5	229.5	229.5	229.5	230.5	231.1
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	1.6	138.5	148.2	163.5	174.9	181.1	187.5	192.0	196.9
ADMINISTRATIVE AND	1.7	73.2	127.0	167.9	178.0	185.2	190.4	195.6	200.9

Activity	Base Weight	2021	2022	2023	2024(p)	2025(e)	2026(f)	2027(f)	2028(f)
SUPPORT SERVICES									
PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	8.2	879.1	859.7	923.8	994.6	1,076.8	1,129.5	1,129.5	1,163.4
General Public Administrative activities	2.3	170.0	179.8	211.7	205.8	230.5	242.0	242.0	249.3
Defense activities	1.5	142.3	134.8	150.6	157.9	165.8	172.5	172.5	177.7
Public order and safety activities	1.9	224.4	232.9	240.8	264.5	291.0	311.4	311.4	320.7
EDUCATION	6.2	601.9	599.9	610.7	688.5	706.0	699.9	714.0	730.1
HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	2.4	408.3	290.8	372.1	383.7	396.7	406.1	414.2	422.5
ARTS, ENTERTAINMENT AND RECREATION ACTIVITIES	0.4	33.1	45.3	54.9	57.9	61.2	63.7	65.3	67.0
OTHER SERVICE ACTIVITIES	0.8	74.9	90.8	100.4	103.3	104.6	105.5	106.4	107.2
GVA @ CONSTANT PRICES	84.9	7,764.4	9,142.2	10,005.4	10,358.8	10,667.4	10,831.7	11,107.3	11,439.8
ADD NET TAXES	15.1	1,382.9	1,628.3	1,782.1	1,845.0	1,900.0	1,929.2	1,978.3	2,037.5
REAL GDP	100.0	9,147.3	10,770.5	11,787.5	12,203.7	12,567.4	12,760.9	13,085.6	13,477.3

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

Table 2: Calendar Year Real GDP Growth by Sector 2021-2028 (Percent Change)

Activity	Base Weight	2021	2022	2023	2024(p)	2025(e)	2026(f)	2027(f)	2028(f)
AGRICULTURE	11.3	9.8	4.4	4.7	3.9	1.5	2.0	4.8	4.9
General Government	0.1	-2.9	3.0	1.4	2.1	5.0	0.5	0.5	0.5
Subsistence	1.8	1.7	2.5	3.2	1.7	3.0	3.0	2.0	2.0
Formal Non-Government Agriculture	9.0	12.0	4.9	5.1	4.4	1.2	1.8	5.5	5.5
Taro	0.7	0.1	17.5	2.3	1.5	10.0	4.0	5.0	5.0
Sugarcane	0.7	-18.4	15.5	-4.8	-15.3	10.9	0.0	3.4	3.3
FORESTRY AND LOGGING	0.3	44.6	-11.8	-12.9	7.3	26.5	3.3	6.0	4.5
FISHING AND AQUACULTURE	0.8	-10.7	0.4	14.1	11.4	-8.6	-9.8	2.9	2.0
Formal Non-Government Fishing and Aquaculture	0.5	-18.2	0.7	25.0	18.9	-14.4	-19.1	4.9	3.0
MINING & QUARRYING	0.9	-2.6	-4.9	-10.2	6.2	10.1	9.7	8.0	6.9
MANUFACTURING	11.3	-5.9	7.2	-0.4	2.8	1.5	1.3	2.1	2.6
Informal Manufacturing	2.5	-8.1	9.3	0.4	0.4	0.5	0.5	0.5	2.0
Sugar	0.6	-49.8	114.1	-35.6	13.1	-12.6	4.0	7.7	7.7
Mineral water	1.4	4.3	-10.5	-20.4	-1.9	-11.2	4.0	2.0	3.0
Wearing apparel	0.4	-15.7	0.2	-0.7	-12.8	8.0	2.0	3.0	2.0
ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	1.4	8.7	15.0	3.4	9.7	2.8	0.5	3.1	3.1
WATER SUPPLY, SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	0.5	-1.1	3.4	8.1	3.2	3.9	1.0	2.9	2.2
CONSTRUCTION	3.0	-32.3	25.3	-1.5	-6.1	2.0	4.0	5.1	5.7
Formal Non-Government Construction	2.0	-46.4	42.1	-2.0	-9.9	1.0	5.0	7.0	8.0
WHOLESALE AND RETAIL AND REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	10.2	-12.7	20.4	6.2	2.7	7.0	1.5	2.3	2.1
Informal WRT	2.6	-2.3	7.4	1.6	1.2	2.1	1.0	1.7	1.2
Formal Non-Government WRT	7.6	-16.7	26.3	8.0	3.2	8.8	1.7	2.5	2.3
TRANSPORT AND STORAGE	5.3	113.8	353.0	34.2	-10.2	-4.0	-4.2	1.4	2.7
Formal Non-Government Transport & Storage	5.2	135.1	375.5	34.7	-10.4	-4.1	-4.3	1.3	2.7
Water & air transport	1.6	-58.9	-483.4	72.6	-23.6	-12.0	-10.0	0.0	3.0
ACCOMMODATION AND FOOD SERVICE ACTIVITIES	5.9	-42.8	221.2	45.0	6.8	2.0	2.1	3.0	3.0
Formal Non-Government Accommodation and Food Service Activities	5.8	-45.1	241.8	46.5	7.0	2.0	2.1	3.0	3.0
Short-term accommodation activities/camping grounds, recreational vehicle parks and trailer parks	5.2	-51.3	317.1	53.2	7.0	1.3	2.0	3.0	3.0
INFORMATION AND COMMUNICATION	3.0	-10.4	20.2	2.3	4.8	4.2	3.3	4.2	4.2

Activity	Base Weight	2021	2022	2023	2024(p)	2025(e)	2026(f)	2027(f)	2028(f)
Formal Non-Government Information and Communication	3.0	-10.5	20.6	1.9	4.4	4.3	3.4	4.3	4.3
Wired telecommunication activities	0.5	-5.4	17.4	-5.1	4.7	2.0	3.0	4.0	4.0
Wireless telecommunications activities	1.6	-1.8	15.8	6.8	2.6	6.0	4.0	5.0	5.0
FINANCIAL AND INSURANCE ACTIVITIES	6.7	7.5	17.3	8.1	6.7	3.2	2.1	2.2	2.3
Central banking	0.2	0.1	-4.2	-4.9	5.3	2.0	2.0	2.0	2.0
Other monetary intermediation	3.7	15.2	25.5	15.2	-1.0	1.0	2.0	2.0	2.0
Activities of holding companies	0.6	0.6	1.5	0.6	0.0	0.3	0.2	0.2	0.2
REAL ESTATE ACTIVITIES	3.1	-8.0	0.3	-5.9	1.8	1.0	1.3	1.3	1.1
Owner Occupied Dwellings	2.4	-5.6	-4.5	-5.7	-0.4	0.0	0.0	0.4	0.3
PROFESSIONAL SCIENTIFIC AND TECHNICAL ACTIVITIES	1.6	-9.4	7.0	10.3	7.0	3.6	3.5	2.4	2.6
ADMINISTRATIVE AND SUPPORT SERVICE	1.7	-43.8	73.5	32.2	6.0	4.1	2.8	2.7	2.7
PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	8.2	-6.5	-2.2	7.5	7.7	8.3	4.9	0.0	3.0
General public administrative activities	2.3	-15.0	5.8	17.7	-2.8	12.0	5.0	0.0	3.0
Defense activities	1.5	-5.1	-5.3	11.7	4.9	5.0	4.0	0.0	3.0
Public order and safety activities	1.9	-0.4	3.8	3.4	9.8	10.0	7.0	0.0	3.0
EDUCATION	6.2	-16.6	-0.3	1.8	12.7	2.5	-0.9	2.0	2.2
HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	2.4	19.3	-28.8	28.0	3.1	3.4	2.4	2.0	2.0
ARTS, ENTERTAINMENT AND CREATION ACTIVITIES	0.4	-8.2	37.0	21.2	5.5	5.6	4.1	2.5	2.5
OTHER SERVICE ACTIVITIES	0.8	-15.0	21.3	10.6	2.9	1.3	0.8	0.8	0.8
GVA @ CONSTANT PRICES	84.9	-4.3	17.7	9.4	3.5	3.0	1.5	2.5	3.0
ADD NET TAXES	15.1	-4.3	17.7	9.4	3.5	3.0	1.5	2.5	3.0
REAL GDP	100.0	-4.3	17.7	9.4	3.5	3.0	1.5	2.5	3.0

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

Table 3: Calendar Year GDP 2021-2028 (\$Million and Percent)

	2021	2022	2023	2024(p)	2025(e)	2026(f)	2027(f)	2028(f)
Real GDP (\$M)	9,147.3	10,770.5	11,787.5	12,203.7	12,567.4	12,760.9	13,085.6	13,477.3
Growth Rate (%)	-4.3	17.7	9.4	3.5	3.0	1.5	2.5	3.0
Nominal GDP (\$M)	8,611.5	10,958.3	12,323.2	13,537.5	13,694.2	14,327.5	15,214.0	16,028.3
Growth Rate (%)	-6.1	27.3	12.5	9.9	1.2	4.6	6.2	5.4

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

Table 4: Fiscal Year GDP 2020-2021 to 2027-2028 (\$Million and Percent)

	2020-2021	2021-2022	2022-2023	2023-2024(p)	2024-2025(e)	2025-2026(f)	2026-2027(f)	2027-2028(f)
Real GDP (\$M)	9,319.6	10,059.0	11,345.7	12,038.0	12,410.4	12,678.5	12,946.0	13,309.6
Growth Rate (%)	-10.7	7.9	12.8	6.1	3.1	2.2	2.1	2.8
Nominal GDP (\$M)	8,841.6	9,944.5	11,736.0	13,033.1	13,625.6	14,055.5	14,833.5	15,679.5
Growth Rate (%)	-13.4	12.5	18.0	11.1	4.5	3.2	5.5	5.7

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

Table 5: Calendar Year Total Exports by Major Commodities 2021-2028 (\$Million)

Commodities	2021	2022	2023	2024(p)	2025(e)	2026(f)	2027(f)	2028(f)
Sugar	63.7	184.4	145.3	122.2	48.4	75.3	81.1	83.8
Molasses	19.5	25.8	14.5	22.1	23.3	22.8	24.6	25.4
Other commodities	138.8	108.2	102.7	175.8	267.5	301.2	316.3	337.3
Woodchips	74.5	49.1	44.9	34.9	52.8	55.5	59.5	62.8
Fresh Fish	49.0	61.4	31.8	48.9	40.0	33.3	36.4	38.4
Yaqona	41.9	40.7	38.1	53.6	79.0	86.9	92.1	92.1
Textiles	10.0	8.3	6.9	6.0	3.5	3.7	4.0	4.2
Garments	70.7	65.6	66.5	66.4	76.1	80.8	86.5	90.5
Mineral Water	312.6	361.8	356.4	351.2	316.9	329.6	339.5	349.6
Other Domestic Exports	444.9	456.7	514.5	505.1	539.6	567.5	622.6	614.1
Re- Exports (excl. aircraft)	570.1	942.5	1,048.9	1,162.9	1,084.1	1163.2	1128.3	1128.4
Total Exports	1,798.3	2,305.3	2,387.7	2,549.5	2,534.1	2,718.5	2,765.2	2,828.9
Total Exports Excl. Aircraft	1,795.7	2,304.5	2,387.7	2,549.1	2,533.9	2,718.5	2,765.2	2,828.9

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

Table 6: Fiscal Year Exports 2021-2028 (\$Million and Percent)

Commodities	2021-2022(r)	2022-2023(r)	2023-2024(r)	2024-2025(p)	2025-2026(f)	2026-2027(f)	2027-2028(f)
Total Exports (\$M)	1,935.1	2,469.4	2,484.5	2,650.9	2,562.1	2,792.0	2,852.7
Total Exports Excl. Aircraft (\$M)	1,932.0	2,469.4	2,484.5	2,650.3	2,562.1	2,792.0	2,852.7
Exports Excl. Aircraft Growth Rate (%)	10.7	27.8	0.6	6.7	-3.3	9.0	2.2

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

Table 7: Calendar Year Total Imports by Category 2021-2028 (\$Million)

Economic Category	2021	2022	2023	2024(p)	2025(e)	2026(f)	2027(f)	2028(f)
Food & live animal	783.4	1,073.1	1,152.5	1,170.8	1,189.7	1,257.9	1,311.8	1,333.4
Beverage & Tobacco	39.7	77.0	98.8	96.5	107.2	112.0	116.1	119.1
Crude Materials	48.5	57.5	49.5	64.9	92.0	110.5	115.3	119.5
Mineral Fuels	741.1	1,672.8	1,745.3	1,657.8	1,588.8	1,850.8	1,723.0	1,673.8
Oil & Fats	62.1	126.9	75.4	63.4	92.9	96.4	101.4	103.5
Chemicals	497.4	673.2	548.6	566.9	590.0	612.7	637.4	645.6
Manufactured Goods	651.0	923.5	846.3	860.6	897.0	924.6	952.4	975.0
Machinery & Transport Equipment (Excl. Aircraft)	937.3	1,411.1	1,704.8	1,934.2	2,035.3	2,081.4	2,167.0	2,231.6
-of which large items	2.1	15.3	6.1	0.0	0.0	0.0	0.0	0.0
Miscellaneous Manufactured Goods	434.2	616.8	927.9	691.9	768.8	825.2	855.2	878.7
Other Commodities	8.7	14.9	15.2	15.4	21.8	22.2	22.7	23.4
Total Imports	4,205.5	6,662.1	7,170.4	7,122.4	7,383.5	7,893.7	8,002.3	8,103.5
Total Imports Excl. Aircraft	4,203.4	6,646.8	7,164.3	7,122.4	7,383.5	7,893.7	8,002.3	8,103.5

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

Table 8: Fiscal Year Imports 2021-2028 (\$Million and Percent)

Commodities	2021-2022(r)	2022-2023(r)	2023-2024(r)	2024-2025(p)	2025-2026(f)	2026-2027(f)	2027-2028(f)
Total Imports (\$M)	5,319.0	7,161.9	7,062.0	7,379.3	7,587.2	7,949.5	8,056.3
Total Imports Excl. Aircraft (\$M)	5,306.0	7,155.7	7,058.2	7,379.3	7,587.2	7,949.5	8,056.3
Imports Excl. Aircraft Growth Rate (%)	37.4	34.9	-1.4	4.5	2.8	4.8	1.3

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

Table 9¹⁵: Balance of Payments 2021-2028 (\$Million)

Items	2021(r)	2022(r)	2023(r)	2024(r)	2025(p)	2026(f)	2027(f)	2028(f)
BALANCE ON GOODS	-1,761.7	-3,667.2	-4,171.9	-4,010.2	-4,254.6	-4,562.9	-4,560.8	-4,567.3
Exports f.o.b	1,788.4	2,300.0	2,386.5	2,548.2	2,533.8	2,760.0	2,807.8	2,873.5
Imports f.o.b	3,550.1	5,967.2	6,558.4	6,558.4	6,788.4	7,322.9	7,368.6	7,440.8
BALANCE ON SERVICES	124.1	1,496.2	2,613.1	2,544.8	2,806.6	2,882.8	3,031.3	3,152.0
Export of Services	1,147.5	3,163.6	4,684.9	4,804.0	5,128.8	5,321.3	5,528.1	5,725.4
Import of Services	1,023.4	1,667.4	2,071.8	2,259.2	2,322.2	2,438.5	2,496.8	2,573.4
BALANCE ON PRIMARY INCOME	-518.5	-583.0	-701.2	-840.0	-793.8	-775.6	-730.0	-733.6
Income from non- residents	127.7	127.1	202.4	229.0	329.5	447.8	399.5	401.3
Income to non- residents	646.2	710.1	903.6	1,069.0	1,123.3	1,223.4	1,129.6	1,134.9
BALANCE ON SECONDARY INCOME	1,590.8	1,067.6	1,484.1	1,547.6	1,685.0	1,564.7	1,494.6	1,408.7
Inflow of current transfers	1,764.5	1,265.0	1,726.2	1,798.2	1,942.3	1,851.7	1,796.0	1,721.1
Outflow of current transfers.	173.7	197.4	242.1	250.6	257.3	287.0	301.4	312.4
CURRENT ACCOUNT BALANCE	-565.3	-1,686.4	-775.9	-757.8	-556.8	-891.0	-765.0	-740.2
CURRENT ACCOUNT BALANCE (excl. aircraft)	-563.2	-1,671.2	-769.8	-757.8	-556.8	-891.0	-765.0	-740.2
CAPITAL ACCOUNT BALANCE	8.2	6.5	7.5	7.8	7.7	7.7	7.9	7.9
FINANCIAL ACCOUNT BALANCE (excl. RA)	1,636.2	1,537.0	610.8	956.3	709.7	1,099.3	857.3	813.8
Errors & Omissions	-61.4	350.6	159.6	124.8	-150.3	-242.0	-324.1	-330.9
RESERVE ASSETS	1,009.5	201.2	-5.5	323.3	2.6	-33.7	-231.8	-257.3

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

Table 10: Calendar Year Tourism Statistics 2021-2028

	2021	2022	2023	2024(p)	2025(p)	2026(f)	2027(f)	2028(f)
Visitors	31,618	636,312	929,740	982,938	986,367	1,003,283	1,023,349	1,043,816
Earnings (\$M)	594.1	1,701.2	2,488.7	2,536.8	2,813.8	2,916.8	3,050.3	3,190.2

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

¹⁵This 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.

Table 11: Calendar Year Sugar Export and Price 2021-2028

	2021	2022	2023	2024(p)	2025(p)	2026(f)	2027(f)	2028(f)
Export Quantity Sugar (000 tonnes)	83.8	175.4	149.9	109.8	52.8	91.3	98.4	101.6
Unit Value (FJS/tonne)	759.7	1,051.5	969.1	1,112.6	916.3	824.7	824.7	824.7
Sugar Export Earnings (FJ\$M)	63.7	184.4	145.3	122.2	48.4	75.3	81.1	83.8
Molasses Export Earnings (FJ\$M)	19.5	25.8	14.5	22.1	23.3	22.8	24.6	25.4

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

Table 12: Calendar Year Inflation Rates 2021-2028

	2021	2022	2023	2024	2025	2026(f)	2027(f)	2028(f)
All items (year-end) %	5.6	4.3	4.8	-0.2	0.0	6.5	2.4	3.0

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

Table 13: Calendar Year Exchange Rates 2021-2028

	2021	2022	2023	2024	2025	2026(f) ¹⁶	2027(f)	2028(f)
USD/FJD	0.4722	0.4511	0.4517	0.4259	0.4399	0.4504	0.4504	0.4504
AUD/FJD	0.6505	0.6653	0.6608	0.6841	0.6569	0.6305	0.6305	0.6305
NZD/FJD	0.6907	0.7105	0.7132	0.7547	0.7592	0.7630	0.7630	0.7630
JPY/FJD	54.34	59.98	63.85	66.85	68.83	71.86	71.86	71.86
EUR/FJD	0.4170	0.4228	0.4081	0.4094	0.3744	0.3873	0.3873	0.3873

(Sources: Reserve Bank of Fiji; f-forecast)

Table 14: Calendar Year Interest Rates 2021-2028

	2021	2022	2023	2024	2025	2026(f) ¹⁷	2027(f)	2028(f)
Outstanding Lending	5.94	5.43	4.97	4.66	4.54	4.49	4.49	4.49
Savings Deposit	0.53	0.41	0.41	0.35	0.31	0.31	0.31	0.31
Existing Time Deposit	2.58	1.55	1.20	1.61	1.69	1.70	1.70	1.70

(Sources: Reserve Bank of Fiji; f-forecast)

¹⁶ 2026(f) is based on the May 2026 Exchange rates.

¹⁷ 2026(f) is based on the April 2026 data.

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
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	-6.3	6,686.0	65.8	4,976.5	1,709.5	10,159.9	252.8
2020-2021	2,143.0	3,190.3	-1,047.3	-11.8	7,663.7	86.7	5,241.2	2,422.5	8,841.6	674.6
2021-2022	2,190.8	3,414.1	-1,223.3	-12.3	9,131.5	91.8	5,767.4	3,364.1	9,944.5	345.9
2022-2023	2,749.8	3,589.2	-839.4	-7.2	9,747.5	83.1	6,170.5	3,577.0	11,736.0	297.0
2023-2024	3,653.6	4,093.8	-440.2	-3.4	10,309.2	79.1	6,587.9	3,721.3	13,033.1	501.5
2024-2025	4,053.2	4,390.7	-337.5	-2.5	10,761.8	79.0	6,976.9	3,784.9	13,625.6	345.7
2025-2026 (e)	3,894.0	4,670.4	-776.4	-5.5	11,538.3	82.1	7,529.1	4,009.2	14,055.5	602.0
2026-2027 (b)	3,824.3	4,869.8	-1,045.5	-7.0	12,583.8	84.8	8,194.3	4,389.6	14,833.5	436.3

(e-estimate, b-budget)

