



Investment **Fiji**

# SECTOR PROFILE

AGRICULTURE

# AGRICULTURE SECTOR

**Agriculture has an immense potential in Fiji, our virgin soils and tropical climatic conditions allow for myriad of opportunities, targeting the domestic, local hotel industry and export markets.**

Fiji has approximately 497,787 hectares or 28% of land available for agricultural purposes. Agricultural land use is broken down into temporary crop land, fallow land, permanent crop land, pastures, coconuts, natural forest, planted forest and non-agricultural land. The highest percentage of actual land use (37%) is for permanent crops followed by pastures (19%) and natural forest (17%).

The crop sub-sector is mainly driven by the root crops and horticulture industry. The major commodities are taro, ginger, papaya, pineapples and Bilateral Quarantine Agreement (BQA) commodities such as eggplant, okra and breadfruit. Taro and

cassava are the most planted root crops with taro geared mainly for the export market. The livestock subsector is dominated by beef and dairy production.

Fiji has existing trade agreements and favourable quarantine arrangements that allow the trade of agricultural produce with countries such as Australia, NZ, US, Europe, Canada, China and neighbouring Pacific Island countries. The domestic market, particularly the tourism industry, offers the biggest opportunity for expansion in the agricultural sector. Agriculture contributes 10.5% of GDP.

To meet the growing demand, the majority of tourism operators are importing fruits and vegetables from Australia and New Zealand as local producers are unable to supply the required quantity and quality of such commodities. Volatility in production levels and inconsistency in quality have also hindered the development of value-adding industries in the country. This has resulted in increased reliance on imported raw materials.

The Value of Crop and Livestock domestic export for both fresh/chilled and value added product has increased significantly from \$146.23 million in 2009 to \$195.02 million in 2016 with a 4.8% average annual growth rate. Fiji's current value of import of Crop and Livestock is \$646.02 million and is increasing at an annual average rate of 5.6%.





## OPPORTUNITIES

- Up to 497,787 hectares of land suitable for agriculture.
- Opportunities for foreign investors to lease or buy land.
- Very low entry cost in agriculture business when compared to other countries.
- Landholders willing to engage investors or develop partnership arrangements.
- Potential development projects including organized systems of producing, processing, and marketing crops, livestock, and aquaculture products.
- Cultivation of a variety of vegetables primarily eggplant, okra, rourou (taro leaves), cabbage, bean, pumpkin, tomato, capsicum, and amaranthus.
- Pawpaw, pineapple, and banana are considered as the major fruit commodities in Fiji.
- Fiji imports an average of close to 34,000 tons of rice annually to meet domestic consumption.
- Fiji's dairy production averages from 11-18 million litres annually compared to domestic demand of 80 million litres.
- Fiji is producing an average of 2,495 tons of fresh/chilled beef and importing an average of 2,290 tons of fresh/chilled beef and 250 tons of prepared meat (corned beef) annually.
- Our 884,887 residents and nearly 800,000 tourists create a lucrative domestic market of over 1.6 million people.
- Tax exemption is offered for new commercial agricultural farming and agro-processing.



## INCENTIVES

### COMMERCIAL AGRICULTURE AND AGROPROCESSING

The income of any new activity in commercial agricultural farming and agro-processing approved and established from 1 January 2015 to 31 December 2018 shall be exempt from tax as follows;

- Capital investment from \$250,000 to \$1,000,000, for a period of 5 consecutive fiscal years; or;
- Capital investment from \$1,000,000 to \$2,000,000, for a period of 7 consecutive fiscal years; or;
- Capital investment above \$2,000,000 for a period of 13 consecutive fiscal years.

### BIO - FUEL PRODUCTION

10 year tax holiday is available to a taxpayer undertaking a new activity in processing agricultural commodities into bio-fuels as approved by the Commissioner from 1 January 2009 to 31 December 2018. To qualify, the taxpayer must have;

- Minimum level of investment of \$1,000,000; and employ 20 local employees or more for every income year.
- Duty free importation of plant, machinery and equipment for initial establishment of the factory. Duty free importation of chemical required for biofuel production.
- The Importation of all agricultural items will be subject to zero duty.



## WHY INVEST IN FIJI?

Fiji's renowned culture of hospitality and resourcefulness delivers exceptional value for investors. There are many examples of commercial success resulting from investment ventures by international partners. Fiji offers a compelling investment proposition and has a stable political environment that encourages economic growth and development. Continued investment in infrastructure, education and training have implications not only for the attractiveness of Fiji as a location to investors, but also for the quality of inward investment. Investment Fiji is witnessing a growing interest from large multinationals.

Economic stability is essential for attracting significant inward investment; with Fiji having both low levels of inflation and positive GDP growth

since 2010. There has been a sharp rise in confidence of the domestic private sector and foreign investors with new bank lending for investment purposes rising consistently. Fiji is also the regions foremost trading hub with excellent shipping routes across the Pacific Islands. Fiji has spent a total of \$11 billion worth of road infrastructure and 1,200 bridges, 47 jetties, 5 commercial ports, 25 local and 2 international airports.

Fiji has a business friendly tax structure that supports innovation and investment with 20% corporate tax and a lower rate of 10% for companies listed on the South Pacific Stock Exchange. The Fijian Government has announced a number of incentives and pro-growth policies to attract investments and encourage economic growth that is stable and sustainable. Government plans to increase per capita income by fourfold over the next 20 years.

The continuous enhancement of infrastructure, growth of our tourism industry, advantages of a young population, a first class English-speaking workforce, natural flair of services, conducive business environment and low entry costs are key ingredients of Fiji's continued success.

# INVESTMENT FIJI

Investment Fiji was established as the Economic Development Board (EDB) in 1980 and is guided by the Foreign Investment Act. A statutory organization, Investment Fiji operates independently as the marketing arm of the Fiji Government, providing services and assistance to promote, and stimulate investments and exports. As such, Investment Fiji carries out three primary roles, Investment Promotion, Investment Facilitation and Export Promotion.

The Investment team provides in depth market intelligence, identifies potential investment projects and assists investors and delegations by arranging suitable meetings and introductions - in addition to promoting Trade and Investment opportunities overseas.

The purpose of the Investment Facilitation team is to provide post-establishment after-care facilitation services enabling and assisting both foreign and local Investors in establishing their business and providing information, support and assistance during the growth phases - and through to developmental support to retain investment, encourage follow-on investment and achieve greater economic impact.

The purpose of our Trade and Export team is to increase exports in general, but particularly of entities, whose products and services add value, allow for import substitution and contribute to employment.



**POSITIVE**  
ECONOMIC GROWTH SINCE 2010



**96%**  
LITERACY RATE



**40 & UNDER**  
69% OF TOTAL POPULATION



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