



**THE FIJIAN  
GOVERNMENT**

# The Sustainable, Inclusive, and Resilient Tourism Recovery and Development in Asia and the Pacific

Ms. Vanshika Sharma  
Policy Analyst & Executive Support  
Strategic Planning Office  
06 July 2023

Ministry of Finance, Strategic Planning, National Development & Statistics  
Fiji

# OUTLINE

- **Introduction**
- **Impact of COVID- 19 in Fiji**
- **Response Plan towards COVID**
- **Lessons Learnt**
- **Post Pandemic Recovery**
- **Conclusion**

# Country Experiences: From Emergency Response to Post-Pandemic



# REPUBLIC OF FIJI



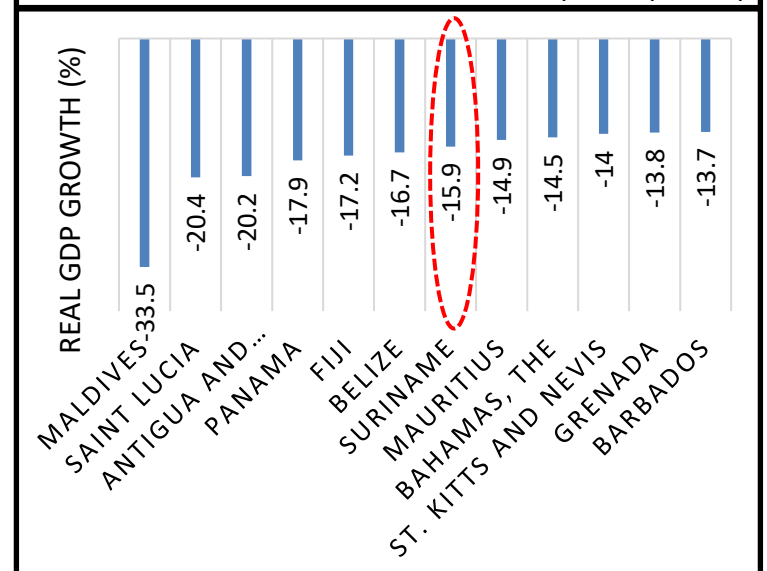
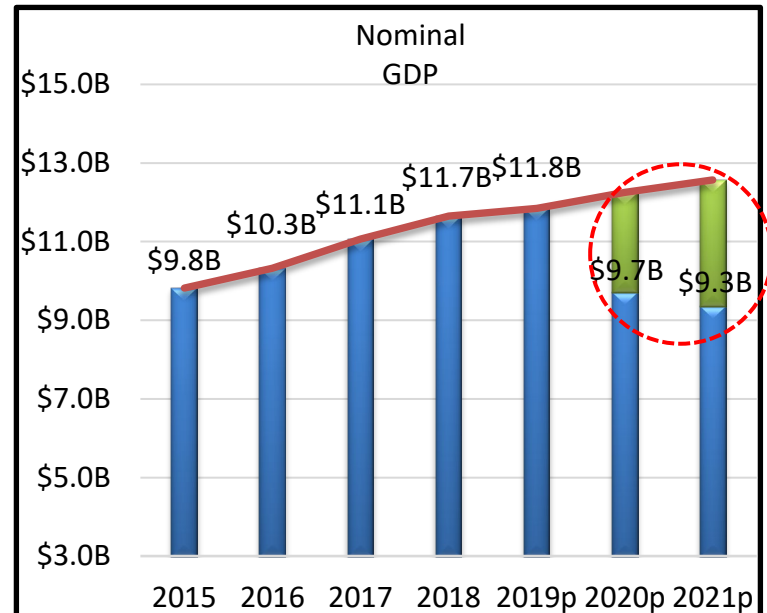
**Fiji consists of an archipelago of more than 330 islands—of which 110 are permanently inhabited—and more than 500 islets, amounting to a total land area of about 18,300 square kilometers (7,100sqmi).**

# IMPACT OF COVID 19 - ON FIJIAN ECONOMY

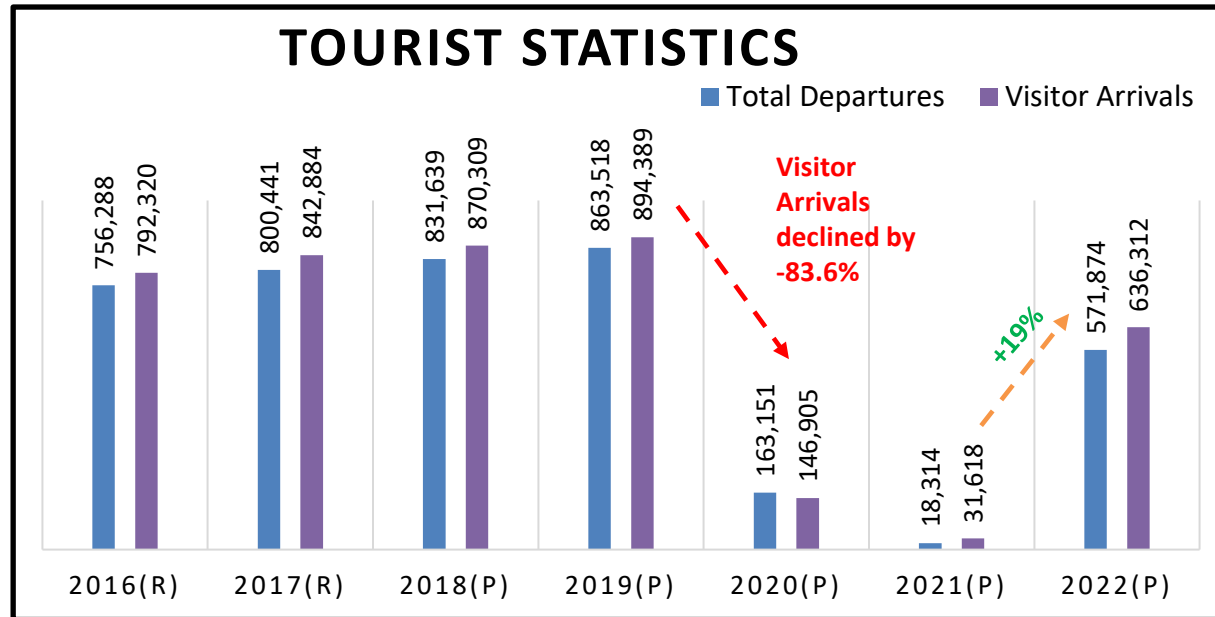


# IMPACTS OF COVID-19

- Largest ever economic contraction of 17.2 percent in 2020 with a further 4.1 percent contraction for 2021.
- We lost a total of FJ\$4.6 billion in GDP over the last two years – total GDP in 2020 was at levels similar to 2014 (COVID-19 took the economy six years back).  
(1 FJD = 0.449893 USD)
- We lost around FJ\$4 billion in foreign exchange from tourism earnings.
- Government tax collections declined by 50 percent on average – lost a total of around FJ\$2.8 billion in tax revenues.
- Over 100,000 Fijians were either unemployed or on reduced hours.
- Socio-economic conditions became challenging, and Government had to provide around FJ\$500 million in income support.



# THE IMPACT ON TOURISM SECTOR

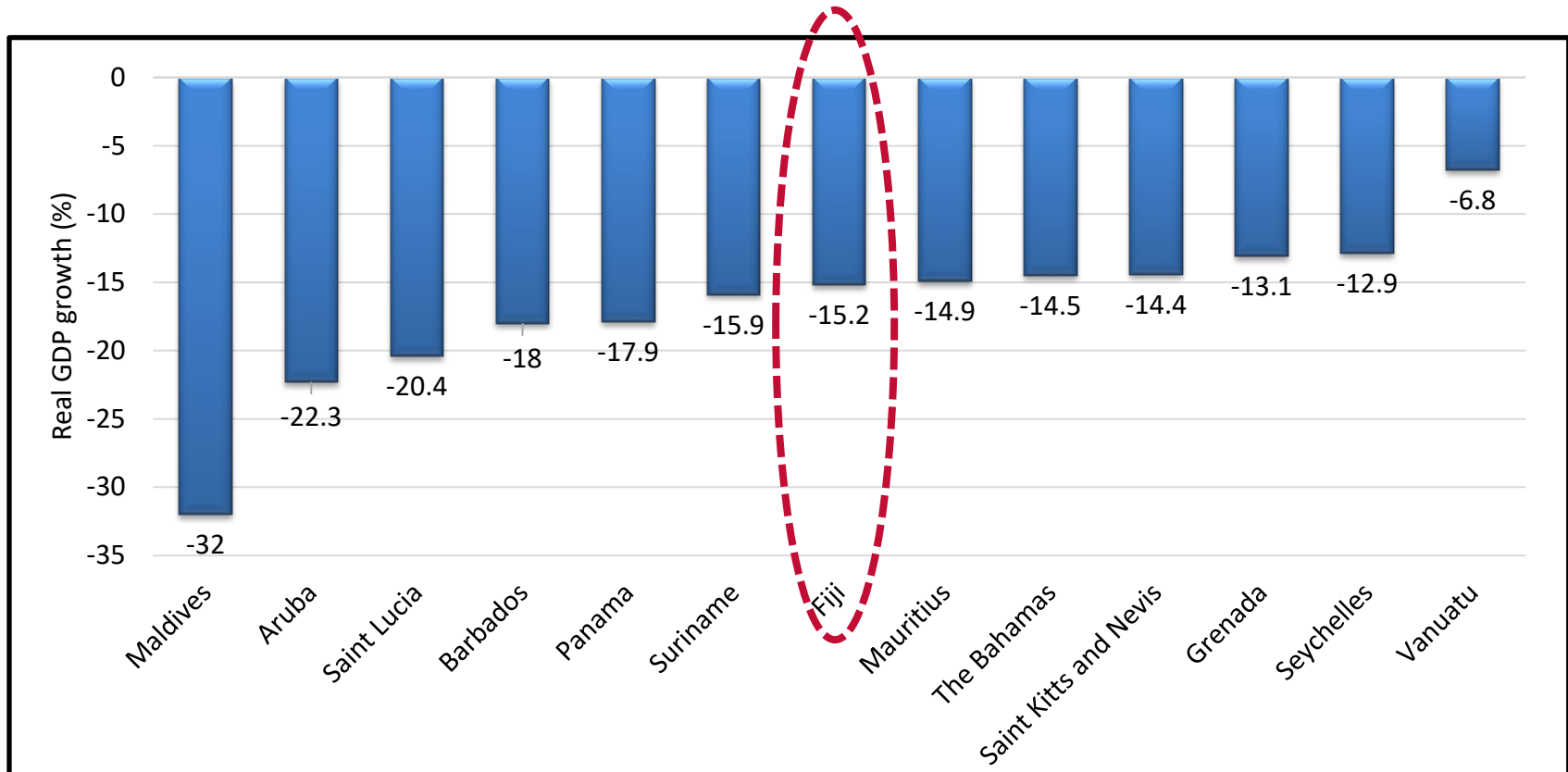


Source: Reserve Bank of Fiji

- Tourism industry contributes almost 40 percent towards the economy and brings in FJ\$2 billion in foreign exchange annually.
- Around FJ\$4 billion was lost in tourism earnings during past 2 years of COVID-19.
- However, with recent market outlook and projection, current visitor arrivals has reached more than 50 percent of 2019 level.



# CONTRACTION FOR TOURISM-DEPENDENT COUNTRIES IN 2020



Source: International Monetary Fund



# RESPONSE PLAN TOWARDS COVID-19



# HOW HAS GOVERNMENT SUPPORTED SO FAR?



- Exchange rate stability – First major crisis without a devaluation. Unlike in the past, we entered the crisis with a strong foreign reserves position supported by external Government borrowings.
- Fiscal stability – despite the 50 percent decline in tax revenues we managed to sustain public spending (including the FJ\$500 million livelihood support).
- Divestment receipts, budget support grants and increased concessional borrowings.
- Financial sector stability – The financial sector remains sound (adequate capital and liquidity).

# HOW HAS GOVERNMENT SUPPORTED SO FAR?



- Necessary Tax Measures:
  - Removal of Environment and Climate Adaptation Levy (ECAL)
  - Reduction of departure tax from FJ\$200 to FJ\$100
  - Removal of stamp duties and the 6 percent Service Turnover Tax (STT)
  - import tariff reductions across the board and removal of business licenses
- Businesses were provided relief through deferment of tax payments, reduction in the Fiji National Provident Fund (**FNPF**) contribution rates (18 percent to 10 percent), loan repayment holidays, concessional loan to Micro Small and Medium size Enterprises (**MSMEs**)
- COVID-19 recovery credit guarantee scheme - FJ\$200 million for working capital support. First 2 years interest payment of 3.99 percent borne by Government.
- Zero-rated VAT on 21 essential items to reduce inflation pressures

**Food Ration**

**Introduced Free health Scheme (PPP)**

**Unemployment support of \$500 Millions**

**CareFiji App**

**Rental Reduction**



**COVID – 19 supplementary Budget**

**Lockdown support**

**Online School Support**

**Removing of Stall fees**

**Free Vaccination**

**Toll – Free Helpline**

**Isolation facilities**

# UNEMPLOYMENT SUPPORT



Programme	Beneficiaries	Amount (FJ\$)
Unemployment Assistance for the formal Sector through FNPF (March 2020 – June 2021)	68,864	\$205 million
Round 1 - \$90 (May 2021)	118,000	\$10.6 million
Round 2 - \$50 (June 2021)	224,000	\$11.2 million
Round 3 - \$50 (July 2021)	205,000	\$10.2 million
Round 4 - \$360 (August 2021-October 2021)	294,924	\$106.0 million
Round 5 - \$360 (November 2021-January 2022)	241,347	\$87.0 million
<b>\$100 Vanua Levu Assistance</b>	<b>19,526</b>	<b>\$2.0 million</b>
<b>Total</b>		<b>\$432.0 million</b>

# LESSONS LEARNT



# LESSONS LEARNED



# LESSONS LEARNED



# LESSONS LEARNED

Remote Work and Flexible Schedules – Encouraging and enabling remote work arrangements helped reduce the number of COVID – 19 cases while allowing businesses to continue operations. For instance, employees facilitating meeting on Zoom calls.

Enhancing Testing and Contact Tracking – The government had a 24/7 medical team on a standby to help those that require assistance and isolate infected individuals more effectively.

Vaccination Campaigns – Prioritizing and expediting free vaccination campaigns and drive through to reduce the transmission of the virus and ease the pressure on the health system.



# LESSONS LEARNED

In response to International Borders Restrictions, the government focused on raising awareness of the **Real Economy** (agricultural) and domestic trades (economic diversification);

Promoting individual engagement in backyard farming – The government collaborated with Ministry of Agriculture to provide seedlings. This initiative aimed to empower citizens to grow their own fresh food and increase self sufficiency.

Prioritizing domestic trades and supporting local market vendors – The government had aimed to strengthen the local economy and reduce reliance on international goods.



# LESSONS LEARNED

The government implemented the **“No Jab, No Job”** policy to encourage the public to get vaccinated and effectively control the spread of the COVID-19 virus.

Broader protection – was one of the reasons why the government had made a mandatory policy on No Jab, No job.

Legal premises – It took a while for the government to rescind the whole measure, but that was also because there were some legal premises that had to be moved in order to rescind the NO Jab, No Job policy.



# LESSONS LEARNED

The Vaccination Rate;

The result of “No Jab, No Job” policy;

General Breakdown

100 percent of the adult population had received first dose and 95 percent received the second dose.

Children from the year of 12 and above covered the rate of 99 % of first dose and 89% for second dose.

Furthermore, 8 February 2021 , 170,867 received it third dose and 29,208 individuals have received the fourth dose.



# POST PANDEMIC RECOVERY



# POST PANDEMIC RECOVERY



FIJI

Visitor arrivals

May 2023

**75,147** visitors travelled to Fiji in May 2023  
which is 103% of May 2019 VA

**\$267M** estimated contribution to the visitor  
economy

**+12%** holiday figures show 12% increase when  
compared to May 2019

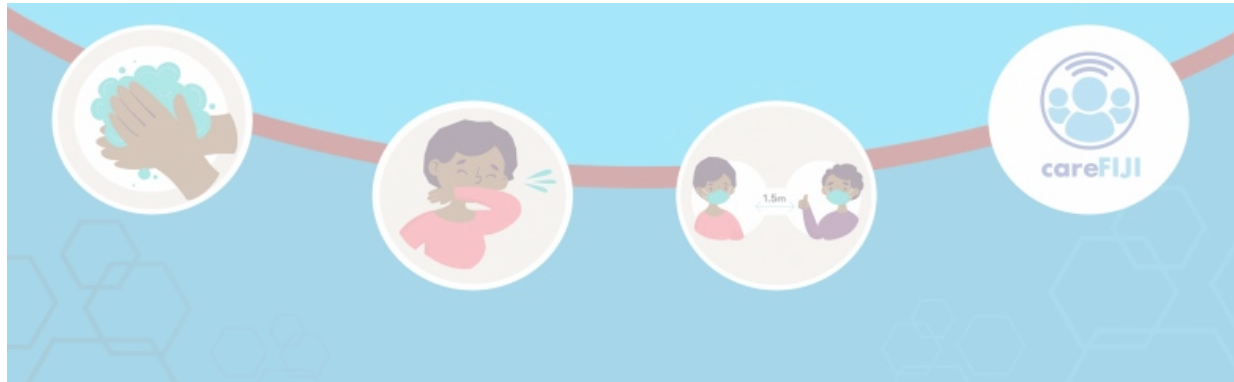
**121%** May figures were 121% of Tourism Fiji's  
target for the month

**AUS: 8%** Our brand metrics are also showing strong  
positive movements as familiarity of Fiji increased  
**NZ: 7%** significantly across our key markets from 2022

fiji.com.fj



# POST PANDEMIC RECOVERY



- Tourism recovery is very strong. The visitor arrivals in May 2023;
- Domestic Economy (2023);
- ✓ Strong consumption activity is supported by the growing consumption- related loans, inwards remittances and employment opportunities.
- ✓ Modest recovery in investment activity continue, evident in the pickup in new investment lending – **25.1%**
- Labour Market (2023);
- ✓ Labour market conditions continues to record strong recovery.
- ✓ Cumulative to April 2023, job advertised by **23.6 %** to **4,923** vacancies.



# POST PANDEMIC RECOVERY

- Financial Sector (2023);
  - ✓ Financial conditions continue to support economic recovery.
  - ✓ Private sector credit grew by **5.7%** in April.
- Liquidity and Interest Rate (2023);
  - ✓ Liquidity as of 31 May stood at **FJ\$2.3 billion dollars**, as a result interest rates continue it downward trends
- External Trade (2023);
  - ✓ Personal remittance grew by **25.2%** cumulative to April led by personal transfers.
- Exchange Rate Development (2023);
  - ✓ In April, the FJD strengthen against the NZD, AUS and JPY but weakened against the EURO and USD dollars.
- Foreign Reserves (2023);
  - ✓ Foreign Reserves remains comfortable at **FJ\$3.3 billion dollars** with the 5.8 MORI ad if 31 May and is projected to be adequate in the near medium term.





# CONCLUSION

- COVID – 19 has had a profound global impact, affecting nearly every country and aspect of society, including healthcare, economy, education and travel.
- Fiji faced significant economic challenges due to the pandemic's impact on tourism, a key sector for the country.
- The government implemented measures to support affected businesses, promote domestic tourism, and explore alternative economic opportunities to facilitate recovery.
- The COVID – 19 experience has highlighted the importance of preparedness, early intervention, community engagement, and a strong healthcare system. Fiji will apply these lessons to strengthen its resilience and be better prepared for future health crises.



**THE FIJIAN  
GOVERNMENT**

***Thank you!!!!***