

A N N U A L
R E P O R T
2008



Fiji Islands Trade and Investment Bureau
...WE MEAN BUSINESS

OUR VISION

The Fiji Islands Trade and Investment Bureau (FTIB) will be a dynamic force in the creation of economic wealth in Fiji through the promotion, facilitation and stimulation of investment and exports.

OUR MISSION

FTIB will actively promote investment and the export of goods and services. We will provide fast and friendly services to investors and exporters and will provide quality advice to Government to increase investment and exports. FTIB will continue to stimulate the development of new and existing industries by facilitating their establishment, expansion and diversification.

OUR VALUES

- Efficient and friendly customer service;
- Team work;
- Accountability;
- Dedication and commitment;
- To promote a positive image of Fiji;
- To promote high quality products;
- Close partnership with Government, international organisations, businesses and the community-at-large.

Letter to the Minister For Industry, Tourism, Trade and Communications

Mr Aiyaz Sayed-Khaiyum
Attorney General and Minister for Justice, Anti-Corruption,
Public Enterprises, Industry, Tourism, Trade and Communications

Dear Minister,

I submit hereunder the Fiji Islands Trade and Investment Bureau's Annual Report and Statement of Accounts for the year ended 31 December, 2008, as required under section 20 (1) of the Fiji Islands Trade and Investment Bureau Act No. 34 of 1986 and the Economic Development Board (Amendment) Act No. 24 of 1986.



Viliame Naupoto
BOARD DIRECTOR

[On behalf of the FTIB Board]

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Major Highlights for 2008

Some of the major achievements of FTIB for the year include:

- Registered investment projects (i.e. issued with Foreign Investment Registration Certificates) worth \$405.5 million and expected employment of 3,637;
- Investment projects recorded as implemented valued at \$623.7 million and employment of 2,262 created;
- An enhanced “Case-Based” approach. Officers were assigned to closely monitor and fully facilitate specific projects to expedite the obtaining of any required approvals from relevant agencies to make project implementation a reality;
- Two trade and investment promotion missions to New Zealand and India;
- Participating at five overseas exhibitions; two exhibitions in Japan and one each in New Zealand, Australia and China;
- Organising five local trade and investment seminars;
- Assisting twelve businesses through the Centre for the Development of Enterprises and the Pacific Islands Forum Secretariat’s Marketing Support Fund;
- Implementing an organisational restructure for FTIB;
- Designing the framework for the Investment Approvals Tracking System; part of a pilot project under the E-Gov project;
- Concluding the Web-based database/Investment Tracking System project that will be used by FTIB to better capture trade and investment data for reporting purposes;
- Achieving an average rental collection rate of 91.2 percent and occupancy rate of 93.6 percent for the Kalabu Tax Free Zone (KTFZ);
- Completing new building extensions for Mark One Apparel Limited and Lyndhurst Limited at KTFZ ; and
- Securing a deal with Mindpearl Limited to establish operations in Fiji in 2009.

Board of Directors



Francis Narayan
Chairman



Jitoko Tikolevu
Chief Executive Officer
Fiji Islands Revenue and
Customs Authority



Peceli Vocea
Permanent Secretary
Ministry of Finance and
National Planning



ViliameNaupoto
Director
Department of Immigration



Mesake Mara
Manager
Tourism Department
Native Land Trust Board



William Situ
President
Fiji/Chinese Federation of
Commerce & Industry



Maraia Ubitau
Director
Department of Town and
Country Planning

Mr. Pita Wise

Permanent Secretary
Ministry of Industry, Tourism, Trade and Communications
Board Member from March 2008 to August 2008

Adi Banuve Kaumaitotoya

Permanent Secretary
Ministry of Industry, Tourism, Trade and Communications
Board Member from September 2008 to January 2009

Foreword of the FTIB Board

2008 was a difficult year for FTIB in terms of its key functions of raising exports and investment given the turbulence in global financial markets and the resultant effects on Fiji's main trading partner countries. As a key focus, some of the Bureau's main initiatives in 2007 to help fast track project implementation were carried over into 2008.

One of these initiatives was the enhancement of a 'Case-Based' approach which involved assigning staff to specific projects as the key contact personnel and tasking them to ensure investors are provided all the necessary assistance so that their projects are implemented. This "hand-holding" exercise includes staff arranging, accompanying and mediating in meetings between investors and other approval agencies so that approvals needed

before the business can actually operate are obtained. In many instances, the Bureau's assistance in this regard, as well as in the provision of information to these agencies, has helped fast-track the granting of approvals.

Over the year FTIB also stepped up its in-house level of engagement, targeting the processing of foreign investment registration applications and issuing certificates within five working days, as mandated by the Foreign Investment (Amendment) Act 2004; for the year the Bureau averaged 1.4 days in completing this process. FTIB's internal streamlining has brought about this pleasing result.

FTIB also attended to over 600 investment enquiries, which to a large extent underpinned the 245 projects that were

registered in the year with a proposed total minimum investment value of around \$405.5 million and employment of 3,637. Projects registered in 2007 continued to receive assistance from FTIB in 2008 which has enabled successful implementation in many cases. The 245 projects registered in 2008 will be closely

monitored, going forward, to ensure they are actually implemented. During the year 281 projects valued at over \$620 million, creating a minimum of 2,200 jobs, were recorded as implemented. Whilst this is a good achievement some of these may pertain to projects that were implemented in years prior to 2008 but investors only informed FTIB of their project's implementation in 2008. FTIB will be working concertedly at making investors aware that they

must immediately inform FTIB when they have commenced operations and will build staffing capacity to be able to better manage and monitor the status of projects in 2009.

During the year, FTIB worked tirelessly to engender interest in investing in Fiji, carrying out promotion campaigns in New Zealand targeting the ICT, Manufacturing and Agriculture Sectors and in India focused solely on ICT. In addition, the Bureau participated, along with other private and public sector stakeholders, at exhibitions and trade fairs held in Japan, New Zealand, Australia and China with various areas of focus. FTIB also hosted incoming missions during the year, which included a Taiwanese trade and investment mission and a Delegation from China.

Seminars on various issues such as trade agreements and the identification of key markets for the export of local produce, such as handicraft and processed mahogany timber, were jointly organised by FTIB and the Fiji Trade Commission in Los Angeles.

During the year Mrs. Lailun Khan completed her term as Chief Executive Officer (CEO) in August having occupied the position for five consecutive years. I thank Mrs Khan for her tireless contribution and good service. Mrs. Annie Rogers, an Economist, was welcomed on board as the new CEO in October. Mrs. Rogers had been employed by the Reserve Bank of Fiji for seventeen years, where her last position was as Advisor to the Governors. She has also served as Advisor to the Executive Director of the International Monetary Fund.

I take this opportunity to thank Government for its continuing support which has greatly assisted FTIB in carrying out its core functions. I also thank my fellow Board Directors and the Management and Staff of FTIB for their continuous dedication, commitment and good performance which have enabled the objectives of the FTIB to be achieved in 2008.

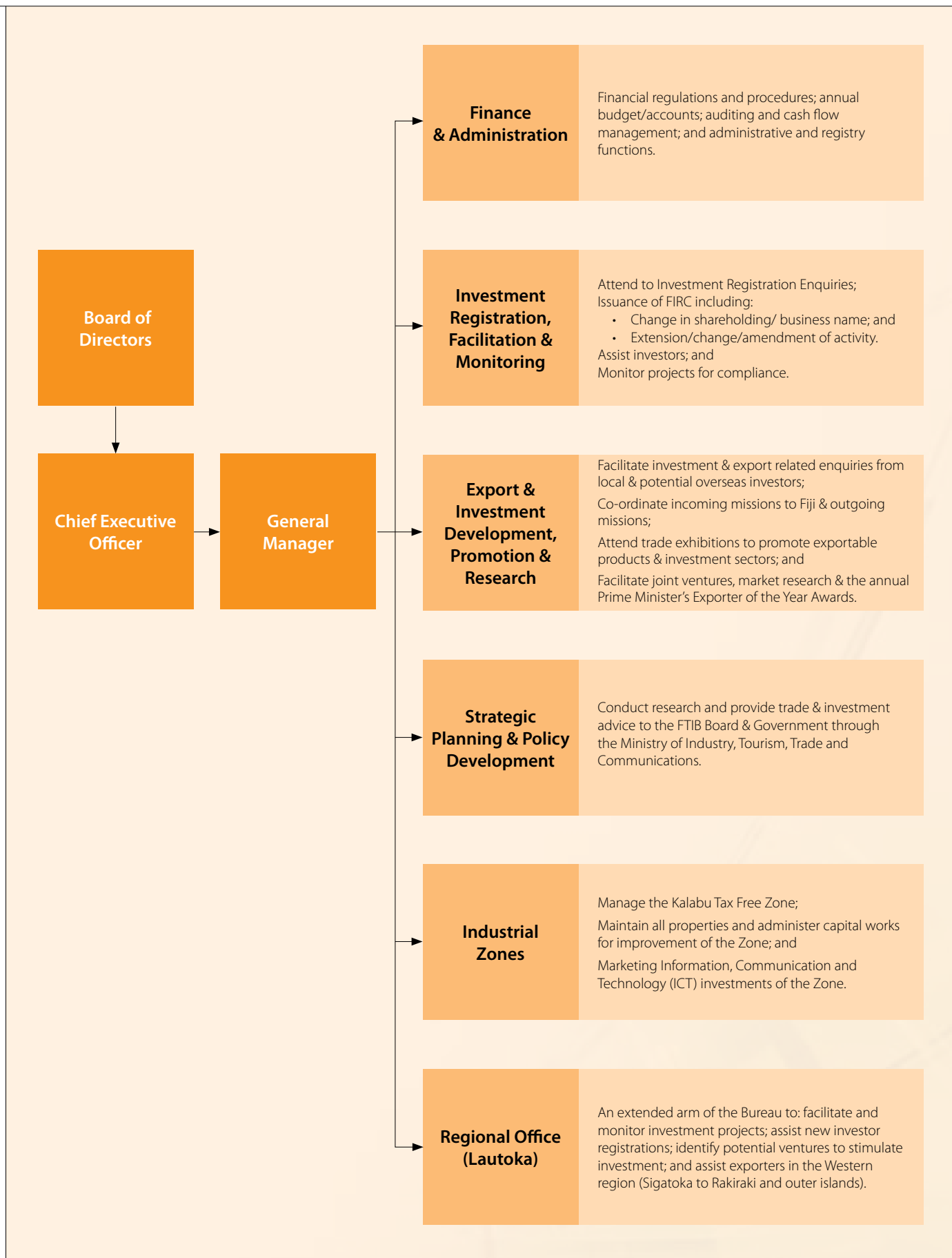
The subdued global economic forecasts for 2009 will mean that FTIB will have to work harder and smarter to promote and enhance Fiji's export and investment portfolio worldwide. However, I have every confidence that FTIB is up to the task and will put in every effort to achieve greater results.



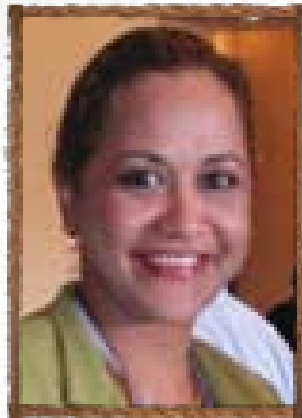
Viliame Naupoto
Board Director
[On behalf of the FTIB Board]

The subdued global economic forecasts for 2009 will mean that FTIB will have to work harder and smarter to promote and enhance Fiji's export and investment portfolio worldwide

Organisation Structure



Management



Annie Rogers
Chief Executive Officer



Sunia Baikirewa
Manager, Strategic Planning &
Policy Development



Jhairud Dean
Manager, Finance &
Administration



Kelera Cavuilati
Manager, Export & Investment
Development, Promotion &
Research



Seini Fiu
Manager, Investment
Registration, Facilitation &
Monitoring



Frances Vuibau
Manager, Regional Office
(Lautoka)



Herbert Powell
Acting Manager,
Industrial Zones

Mrs. Lailun Khan
Chief Executive Officer from June 2003 to August 2008

Chief Executive Officer's Report

It was my great honour to join the Fiji Islands Trade and Investment Bureau as CEO in October 2008. I thank Mrs Lailun Khan for her good stewardship of the organisation which helped my fitting into my new role a smooth transition. I take this opportunity to report on the activities undertaken by the Bureau in 2008.

During the year, in our ongoing effort to increase exports and investment, FTIB focused strongly on targeted trade and investment missions, a streamlining of the internal registration process and a concerted effort to enhance the investment facilitation role that was 'Case-based' with specific assignments. Over 600 investment enquiries were attended to, underpinning to a large extent the issuance of 245 Foreign Investment Registration Certificates in various sectors, with a total proposed investment value of over \$405 million and 3,637 employment. Whilst this is considerably lower than the 398 projects, valued at \$495 million, registered the year earlier, this is a good achievement given the depressed global economic environment during the latter months of the year as the effects of the sub-prime mortgage debacle became more entrenched. Whilst FTIB's trade and investment missions were targeted at Agriculture, Manufacturing and the ICT sectors, the Bureau's registration of investment projects over the year showed good investor interest in the Real Estate, Construction, Mining & Quarrying and Forestry and Fisheries sectors as well as in the Tourism and Financial and Education sector.

Also as part of our role to stimulate and attract investment, FTIB, in conjunction with the Ministry of Industry, Tourism, Trade and Communications, reviewed the Foreign Investment Regulations (FIR) 2005 which saw the addition of four activities to the Reserved List, namely bakeries,

backpacker operations, nightclubs and liquor bars, while veterinary business was removed from the Reserved List to the Restricted List, thereby allowing foreign investors to invest in projects undertaking these activities, under certain conditions.

A review in July of the FIR 2008 enabled foreign investors to have 100 per cent ownership in businesses in Fiji and to contribute various levels of paid up capital in the form of cash as a requirement instead of the local equity shareholding requirement in the FIR 2005. Further to the July 2008 amendments, another round of consultations was conducted between Government, FTIB and the private sector and the FIR 2008 was further amended to reflect revised criteria which largely saw reductions in the cash threshold requirements across almost all activities that foreign investors are permitted to be engaged in. This is a good initiative to entice investment to our shores. The revised FIR 2008 has a January 2009 effective date.

FTIB also strengthened delivery in its offshore activities in 2008. Two investment missions, to New Zealand and India, were successfully mounted and three incoming foreign Delegations were facilitated. FTIB continued to provide assistance to companies through the marketing of their products in overseas markets and the provision of market and product information. FTIB's role in facilitating investment growth and expansion is not limited only to foreign investors. Local investors/resource owners were encouraged to maximise their

participation in the business arena by taking advantage of available funding/assistance such as the Marketing Support Fund and through the Centre for the Development of Enterprises.

FTIB's Work Plan for 2009 was prepared in the final months of 2008 and continued

to encompass proactive ways to promote, facilitate and stimulate exports and investment. We will strive to effectively implement the Work Plan.

I take this opportunity to thank all who have assisted the Bureau in undertaking its role and functions. I extend my sincere appreciation to the Managers and Staff of FTIB for their hard work, commitment and cooperation during the year. I also

thank Government, other statutory organisations and the private sector for their ongoing support which has enabled us to carry out our role effectively and to be of better assistance to our valued exporters and investors. I look forward to their continued assistance and close working relationship in the coming year.

Finally, I thank the Board of Directors for their strong support and guidance in 2008.



Annie Rogers
Chief Executive Officer

FTIB continued to provide assistance to companies through the marketing of their products in overseas markets and the provision of market and product information

Investment Registration, Facilitation & Monitoring

Under the Foreign Investment Act (FIA) 1999 and the Foreign Investment (Amendment) Act 2004 FTIB is mandated to register all foreign investors who wish to establish a business in Fiji. Under the Act(s) the maximum time frame for registration of an investment project is five working days provided all necessary information is submitted at the time of lodgement of the Foreign Investment Registration Certificate (FIRC) application; in 2008 an average of 1.4 days was achieved. The Bureau conducts due diligence checks also within the required time frame and in some cases, where deemed necessary, more in-depth checks are carried out after the FIRC is issued. In addition to this investment registration role, FTIB also facilitates projects through their implementation phase and closely monitors implemented projects.

In 2008, the FTIB, through its Suva and Lautoka Regional Office, focused particularly on facilitating, or assisting, projects that were having difficulties in obtaining approvals/permits/licenses from the approval agencies. This role involved liaising and mediating directly with investors and approval agencies and when necessary, organising meetings and site visits to resolve issues.

Another role of FTIB involves closely monitoring registered and implemented projects for compliance with the Act. The FTIB also assists foreign investors who require work permits, or work visa extensions, by providing progress reports to the Department of Immigration. In addition, FTIB has encouraged and assisted existing companies to expand their business operations and have provided guidance/advice to investors so that they are in compliance with conditions of the various approvals granted to them.

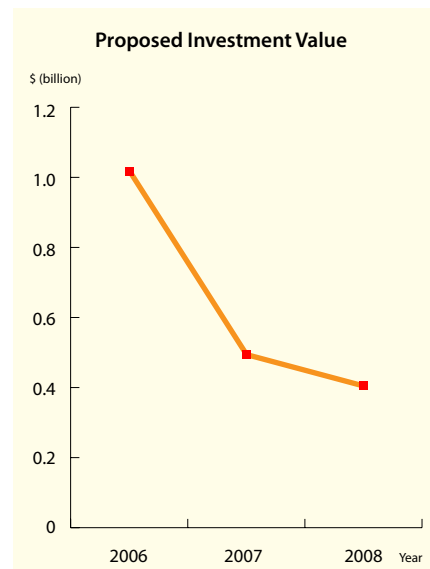
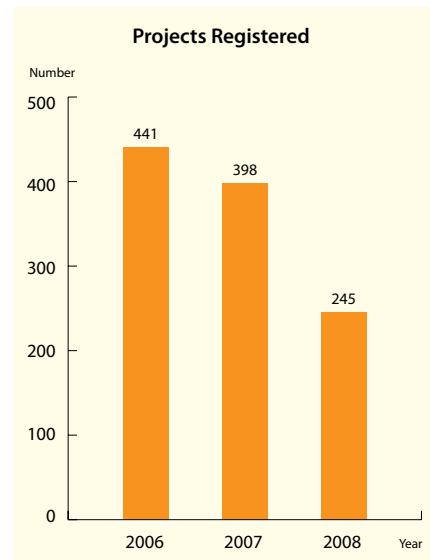
INVESTMENT REGISTRATION

In 2008, 279 investment applications with total proposed (minimum) investment of \$428.3 million and 4,034 employment were received. After the necessary requisite appraisals 245 FIRC's were issued with a total proposed investment level of \$405.5 million and employment of 3,637.

The remaining 34 projects were either declined or were still being processed by year end, for reasons which included:

- Adverse investor information received during FTIB's due diligence process;
- Project applications not meeting requirements under the Restricted activity list¹;
- Investors proposing to undertake a business on the Reserved activity list²; and
- Incomplete information given on application forms.

Registration for 2008 saw a decline from the 398 projects in 2007 with proposed investment value of \$495.1 million and 7,302 employment. The decline is attributed largely to the global financial and economic crisis and its impact on global growth and Fiji's main trading partners, the latter from which a significant proportion of foreign investment is sourced for Fiji. It could also be attributed to the increase in the FIRC application fee from \$14 to \$2,812.50(VIP³) which took effect in July 2008. FTIB has noted that prior to the introduction of the higher application fee investors still in an early scoping and due diligence phase would register their projects. With the higher application fee more 'genuine' projects are expected to be registered.



¹ Activities that can be undertaken by foreign investors under certain conditions

² Activities reserved specifically for Fiji Citizens only

³ Vat Inclusive Price

Key details of projects registered in 2008, are shown below:

SECTOR	NUMBER	PROPOSED	
		INVESTMENT (\$M)	EMPLOYMENT
Services	83	20.7	656
Tourism	62	93.3	767
Manufacturing	35	7.4	439
Construction	11	11.9	513
Real Estate	11	203.1	54
Mining & Quarrying	10	51.6	437
Wholesale & Retail Trade	8	8.0	207
Agriculture & Forestry	7	1.0	90
Transport Storage & Communication	7	1.9	92
Financial Intermediation	5	5.3	61
Fishing	3	0.9	312
Education	2	0.3	4
Electricity Gas & Water Supply	1	0.3	5
Total	245	405.5	3,637

Although the Services, Tourism and Manufacturing sectors have attracted a large share of foreign investor interest in Fiji over past years, in 2008 the FTIB registered a higher number of projects in the Construction, Real Estate and Mining & Quarrying sectors. The tourism, construction, manufacturing and mining & quarrying sectors have high employment growth potential and account for 59.3% of total employment expected to be generated from these registered projects. While the real estate sector accounts for only 1.5% of employment expected to be generated, in value terms it constitutes 50.1% of total proposed investment value.

During 2008 a number of investment incentive packages were put in place by Government, as well as changes to the 2005 Foreign Investment Regulations (FIR). These changes enabled 100% foreign ownership with minimum cash investment thresholds as investor input requirements. To some extent these changes may have contributed to the

stronger investor interest in the other sectors. Under the FIR 2008, the minimum investment requirements for tourism, manufacturing and mining & quarrying activities were \$250,000 cash in paid up capital, while real estate and construction stood at \$5 million.

INVESTMENT FACILITATION

The regulatory approvals process has often been identified as one of the major impediments to investment. To help improve the process, in February 2005, following the amendment of the FIA 2004, a Facilitation Unit was established within FTIB with the specific core task of “hand-holding” investors through this process and assisting them in obtaining approvals needed from the relevant agencies. In 2007 a Case-Based approach to this facilitation role was put in place whereby staff were assigned to specific projects and tasked to ensure that the projects under their ‘care’ obtains all necessary approvals.

In 2008, this Case-Based approach was further strengthened where facilitation officers were allocated respective sectors and hence the projects that fall within these sectors, with staffing numbers in the Unit significantly raised to improve service delivery. A key part of this assistance also involves FTIB providing investors with all information on what documents and other data etc may be needed for approval agencies to be able to give their consent towards the project.

Generally, the FTIB assists investors by:

- Advising investors of the permits, licenses and approvals required for each investment project including the estimated processing time and criteria, the forms to be filled and relevant fees;
- Liaising with key contacts in each agency to overcome barriers in obtaining permits/licences/approvals;
- Organising and facilitating inter-agency meetings to discuss impediments to realising investment proposals and to find solutions;
- Timely updates of investment projects in terms of their progress in obtaining permits/licences/approvals from each agency;
- Advocating and proposing policy reforms to Government to improve the overall business environment; and
- Focusing on early implementation of new investment projects and providing assistance to existing projects.

Although small projects were assisted on a continuous basis, the facilitation role of the FTIB during the year focused more determinedly on medium to large projects registered in previous years which were yet-to-be implemented. Overall, in 2008 the Bureau assisted a total of 2,119 investors/companies on numerous issues which included inter



La Dolce Vita - The Sweet Life Villa in Savusavu; one of many investment project sites visited by FTIB during the year

alia: approvals/permits/licenses, duty concession requests, registration of companies and immigration issues.

Implemented Projects

During the year, a total of 281 projects worth \$623.8 million, creating 2,262 jobs were recorded as implemented. Whilst a good achievement, this included the implementation of projects that were registered in past years. It is also likely to include projects that had an actual implementation year other than 2008 but investors had failed to inform FTIB that the project had been fully implemented in the relevant year and only did so in 2008. To address this, in 2009 FTIB will be focusing strongly on making investors more aware that under the FIA they must inform FTIB immediately, by filling out a mandatory Declaration Form (D1), their project has commenced business operations (i.e. is fully implemented).

Post-FTIB Registration Guide

A Guide was compiled for investors

to assist their understanding of the procedures required in establishing a business in Fiji. The Guide identifies the mandatory and other relevant agencies from which a foreign investor must obtain approvals depending on the business activity that will be undertaken. This Guide is provided to investors on registration with FTIB. The Bureau has received positive feedback from investors on the usefulness of the Guide.

INVESTMENT MONITORING

Monitoring compliance with the FIA 1999 and FI (Amendment) Act 2004 is another core function of FTIB. This monitoring process enables FTIB to be aware of problems investors are encountering and to be able to address investor concerns in a more timely manner.

In 2008, FTIB carried out 270 project site visits to verify compliance with registration conditions of the Bureau. Visits were also conducted on businesses

that wished to extend their business activity. Here, FTIB's focus was to facilitate and help make possible such proposed business expansions.

A joint site visit with the Fiji Islands Revenue & Customs Authority (FIRCA) to the northern region (Labasa, Savusavu & Taveuni) was also carried out. FIRCA accompanied the FTIB team to verify companies' compliance with Income Tax and VAT Return requirements and also to undertake a survey of companies who were not registered for Income Tax and VAT purposes.

To assist businesses obtain key post work permits for shareholders, the Bureau provided 216 progress reports to the Department of Immigration. These progress reports are a key requirement as proof that the investor is working in Fiji, hence justifying the provision of work permits.

Further, the Bureau issued 3 businesses with a notice to cancel and cancelled 20

FIRC's after the investors failed to comply with the conditions of approval. Notices to cancel provided investors 15 working days to respond to FTIB, explaining the approvals breach outlined as underpinning the proposed cancellation. Of the 20 cancellations, some resulted from companies advising FTIB that they had ceased business operations, with the remainder arising as foreign investors had obtained naturalization making the company a local business entity which does not need FTIB registration and 'oversight'.

Review of the Foreign Investment Regulations (FIR) 2005

FTIB, in conjunction with the Ministry of Industry, Tourism, Trade & Communications (MITTC), conducted consultations with relevant stakeholders to review the FIR 2005. As this was the second major substantive review of the Reserved and Restricted activity lists (Regulations 2 & 3 of the FIR 2005), it provided an opportunity for the MITTC to assess the effectiveness of the regulations that are administered by the FTIB.

The FIR 2008 came into effect on 11th July and included an increase in application fees to \$2,812.50 (VIP) and the introduction of minimum cash investment thresholds. Four additional activities were included into the list of Reserved activities including bakery business, backpacker operations, nightclub and liquor bar. Veterinary business was moved from the Reserved activity list to the Restricted activity category thereby making a veterinary business, which was an activity only locals could engage in (i.e. Reserved List), now one that foreigners could undertake⁴.

For Restricted activities, the major policy change was the replacement of all equity requirements with cash criteria.

With the exception of fishing activity, all restricted activities required separate minimum investment threshold(s).

Three more activities were included in the restricted activity list, namely, boat building, tobacco production and laundry cleaning business.

Review of the Foreign Investment Regulations (FIR) 2008

During the latter part of the year and in line with the 2009 National Budget Announcement in November 2008, FTIB, in conjunction with MITTC, reviewed the 2008 FIR. On 31st December, 2008 Cabinet approved the review in order to boost economic activity via investment enhancement. The following outlines the core changes effective 16th January 2009.

The following 4 business activities were de-reserved and classified as Restricted Activities.

- Bus business;
- Sightseeing tours, travel agent and tourist guide services;
- An office service business; and
- Forestry (plant management & logging)

The following Restricted activities' minimum investment threshold was reduced to \$250,000:

- Agriculture;
- Carpentry & joinery (inclusive of furniture manufacturing);
- Boat building;
- Rental & hire cars or chartered land transport tour operator;
- Restaurant business;
- Hairdressing & other beauty treatment;
- Maintenance & repair of motor vehicles;
- Freight forwarding & customs house agent;
- Pest control & fumigation services;
- Advertising & marketing;
- Business & management consultancy;
- Retailing business;
- Distribution business; and
- Laundry business.

[Full details can be viewed on FTIB's website: www.ftib.org.fj]

⁴ The term Restricted refers that there is a condition(s) attached



Participants at the FIR 2008 Road Show



Stakeholders discussing the Foreign Investment Regulations with FTIB's newly appointed CEO

Road Shows

In conjunction with MITTC, FTIB conducted four Awareness Workshops on the FIR 2008 in major centres including Suva, Lautoka, Labasa and Savusavu. The objective of these workshops was to raise awareness of the changes in the FIR 2008 and also to inform the public of FTIB's role and responsibilities in investment registration, facilitation & monitoring.

Memorandum of Understanding with Financial Intelligence Unit

On June 13 2008, the FTIB signed a Memorandum of Understanding (MOU) with the Financial Intelligence Unit to allow the two agencies to exchange intelligence and information in order to reduce financial fraud. This will also assist the FTIB in carrying out credibility checks on foreign nationals in order for the Bureau to register genuine foreign investors.



MOU signing with the Fiji Intelligence Unit

Investment Promotion

This year has been a challenging one for FTIB to stimulate and increase foreign investment levels in Fiji. The investment promotion calendar for the year highlighted a number of local and overseas programs specially geared towards creating awareness of Fiji as an investment destination and promoting investment opportunities to our local investors. However, a number of these activities could not be effectively implemented due to the low level of interest from targeted private sector groups and the feasibility of executing several planned activities in new markets.

Nevertheless, activities and programs were re-prioritised to accommodate the Bureau's objectives, particularly in encouraging and stimulating investment in Fiji and promoting incentives and concessions formulated by Government. In this regard, investment delegations were organized and mounted to some of our major markets and a special investment mission targeting the ICT sector was also deployed during the year.

In an effort to promote Fiji as a good investment option rather than just a tourist destination, several expositions were also attended by FTIB with an aim to build and boost Fiji's image in select markets. Local seminars were also organised for trade commissions abroad to educate Fiji's private sector on the procedures involved and the opportunities available for both investment and trade in overseas markets.

In a concerted effort with stakeholders and partners in investment promotion, FTIB effectively executed a number of activities in its Marketing Plan which included outbound investment missions, incoming visiting delegations, exhibitions, local seminars and media publicity.



Then FTIB CEO Mrs Lailun Khan shares a light moment with businessman Mr Y P Reddy

INVESTMENT MISSIONS

Two investment promotion missions were mounted in 2008, to New Zealand and India respectively.

- **Investment Mission to New Zealand, (March 5th to 6th)**

The Investment Mission to New Zealand in early March included participation at the Pacific Trade Expo in Auckland, where a range of Fiji's exportable products were displayed. During the Mission, the FTIB team held meetings with several potential investors in the ICT, Manufacturing and Agriculture sectors in the cities of Auckland, Waitakere and Wellington. A notable outcome of the mission was the expression of interest by a NZ-based company to set up an auto-

parts and components manufacturing plant in Fiji to manufacture smaller labour intensive components of buses for export to NZ for assembly. The Bureau facilitated direct contact with bus companies in Fiji, with one local bus company expressing interest to exchange industry-related information with the company. Another result of the mission was the expression of interest by a company in New Zealand to import papaya, seafood and seaweed from Fiji for re-export to Japan. Prior to the Pacific Trade Expo, the company had already had dealings with several Fiji companies and was keen to further explore opportunities for trade with Fiji. FTIB facilitated in the dissemination of information to relevant exporters in Fiji.

- **ICT Investment Mission to India, (September 20th to October 3rd)**

The ICT-focused mission's delegation comprised three FTIB officials, the Chief Executive Officers of the Fiji Islands Revenue & Customs Authority (FIRCA) and of Amalgamated Telecom Holdings (ATH) and Managers from FINTEL and Telecom Fiji Ltd. Twenty nine meetings were held in the cities of New Delhi, Mumbai and Bangalore with discussions focused mainly on the outsourcing of back-office operations to Fiji. A direct result of the mission was an expression of interest in a Joint Venture arrangement by a company in New Delhi. The company has since visited Fiji to continue discussions with the local interested party regarding a possible joint venture partnership for a call centre in Fiji.

In view of the large interest generated from the Mission, a consultant was hired to undertake follow-up work with the companies that had expressed interest in Fiji's ICT industry. The follow-up work conducted by the private consultant, registered a lot of interest from Indian companies to set up ICT-related operations in Fiji, which will be progressed into 2009.

OVERSEAS EXHIBITIONS

FTIB also facilitated Fiji's participation at two international exhibitions/fairs, in Australia and China, for the promotion of ICT Services and of Fiji as an investment destination.

- **CeBIT⁵ - Sydney, Australia, (May 18th to 25th)**

A team of 15 delegates represented Fiji at CeBIT 2008 in Sydney, Australia. The Delegation included FTIB officials, ICT infrastructure providers including Telecom Fiji Limited and FINTEL, representatives from the private sector and the President of the ICT Association. Eighty enquiries were generated from the exhibition and some of these enquiries have materialised into fact-finding visits to Fiji to assess the viability of setting up operations here. Moreover, based on the feedback received from local companies who participated, the event provided a good avenue for the companies to evaluate and compare current products and services offered, with the latest technology available.

- **China International Trade and Investment Fair - Xiamen City, China, (September 8th to 11th)**

The China International Fair for Investment and Trade (CIFIT), approved by the State Council of the People's Republic of China, takes place on September 8th – 11th every year in Xiamen, China. The CIFIT theme "Introducing FDI" and "Going Global", focused on nationality and internationality; investment negotiation and policy promotion; coordinated development of national and regional economy; and economic and trade exchanges across the Taiwan Strait. CIFIT is currently China's only international investment promotion event aimed at facilitating bilateral investment. The Fiji booth at the Fair, which was manned by an FTIB representative and staff of the Fiji Embassy in Beijing, displayed several products and promoted Fiji's trade and investment opportunities. There was strong interest from a Chinese company on natural beauty products that were displayed at CIFIT and numerous enquiries received on opportunities available in Fiji, including for virgin oil processing and sandalwood export.



Fiji's booth organised by FTIB at CeBIT 2008 in Sydney, Australia

INCOMING MISSIONS

- **Investment Delegation from China, (September 10th to 30th)**

FTIB facilitated the visit of five Chinese delegations to Fiji that were led by Fiji's Ambassador to the People's Republic of China, His Excellency Sir James Ah Koy. The Delegations comprised investors that expressed interest to carry out specific projects in Fiji, namely the Low Cost Housing & Building Projects; Ethanol and Waste-Electricity

⁵ CeBIT- Centrum der Büro-und Informationstechnik; German for "Centre of Office and Information technology"

Conversion Projects; Cement Factory; Seaweed and Pearl Farming; and Grass to Energy Conversion Projects. The Bureau also organised a meeting with representatives of City and Town Councils from all over Fiji, which was convened at the Suva City Council, where the Chinese company interested in Waste-Electricity Conversion projects presented their proposed project and the requirements to ensure its success. While these projects have yet to be implemented, discussions with relevant Ministries and agencies are ongoing.

• **Investment Delegation from Los Angeles, (September 20th to 30th)**

The Bureau, in conjunction with the Department of Agriculture facilitated the visit of an agro-processing company, following a request from Fiji's Trade Commissioner in Los Angeles. The company visited Fiji to see the viability of growing Moringa trees for export to the United States of America. Meetings were held with the Ministry of Agriculture regarding soil data and weather patterns for growing the trees.



ENQUIRIES ON INVESTMENT OPPORTUNITIES

A total of 283 enquiries were received during the year which included those facilitated out of the Lautoka Regional Office. These enquiries were received from potential and interested investors who requested information with regards to setting up a business in Fiji, the investment registration process, opportunities available in different sectors, as well as enquiries on incentives and concessions, to name a few. In addition to these requests, enquiries were also received from local investors seeking Joint Venture business partnerships.





Representatives of Fiji's private sector at the Supermarket Trade Fair in Tokyo, Japan

In line with Government's National Export Strategy which seeks to diversify and broaden Fiji's export base, the FTIB continued its drive to create more awareness and gain market access for niche products in sectors prioritised by Government. This called for continuous development and vigorous promotion of exportable products, following the eroding of preferential trading arrangements and its impact on Fiji's traditional export sectors such as sugar and garments.

To this effect, the Bureau's Marketing Plan for the year featured programs which prioritised the development and promotion of Fiji's exportable products in other sectors such as mineral water, manufacturing, agro-processing, fisheries, and forestry, to name a few. While exports were also promoted during investment missions, specific programs such as trade fairs, seminars, and the facilitation of an incoming delegation provided a platform to effectively market Fiji's export sector.

Marketing programs for the year targeted Fiji's traditional markets of Australia, New Zealand, Japan and China in which FTIB

facilitated private sector participation at exhibitions, seminars, and other forums. In line with its role to assist in the development of exports, FTIB also continued its function as intermediary for exporters seeking assistance under various funding schemes.

FTIB and trade offices abroad arranged and facilitated local workshops and seminars aimed at assisting exporters gain market access and to penetrate overseas markets. These forums were extensively 'used' by exporters.

OVERSEAS EXHIBITIONS

FTIB also facilitated Fiji's participation at three international exhibitions/fairs, one in New Zealand and two in Japan, for the promotion of exports.

- **42nd Supermarket Trade Fair – Tokyo, Japan, (February 20th to 22nd)**

The Supermarket Trade Show is Japan's largest supermarket trade show for retailers, wholesalers, importers and food supermarkets. FTIB has been involved with the Forum Secretariat's Pacific Islands Commission (PIC) office in Tokyo in facilitating the participation of at least one company from Fiji each year. In 2008, FTIB facilitated the participation of two companies at the Trade Fair. The Bureau also collated promotional samples, from various local companies, that were exhibited at the Fair.

- **Pacific Trade Expo – Auckland, New Zealand, (March 5th to 6th)**

FTIB facilitated Fiji's participation at the Pacific Trade Expo in Auckland, New Zealand. Organised by the New Zealand Pacific Business Council every two years, the Expo provides a venue



Fiji private sector participants at the Fiji booth

for over 100 exhibitors and buyers from a broad cross-section of industries and services from the South Pacific and New Zealand. There were workshops organised by the coordinators of the event which was attended by exhibitors and professionals from various businesses in and outside New Zealand. Six local companies joined FTIB at the Expo.

As a result of Fiji's participation at this Expo, an exporter was able to secure an order for a consignment of kava while another company received orders for coconut palm and wood furniture. The companies established contacts with potential buyers and distributors in New Zealand during the Expo.

• **Pacific Islands Fiesta – Tokyo, Japan, (September 16th to 18th)**

FTIB participated at the inaugural Pacific Islands Fiesta exhibition held in Japan from 16th to 18th September. The invitation to participate was sent to the FTIB from the Fiji Embassy in Japan and product samples including those from companies in the agriculture and manufacturing sectors were collected for the exhibition. The FTIB representative also made a presentation on trade and investment opportunities in Fiji which was attended by members of Tokyo's private sector with business interests in Fiji. Some enquiries that were received from the exhibition included the import of animal feed and body products and the registration process for language schools wishing to set-up in Fiji. Following this exhibition, a number of visits have eventuated, facilitated by the Fiji Embassy in Japan in collaboration with FTIB.



Taiwanese delegates meeting with FTIB officials in the FTIB Boardroom

INCOMING MISSIONS

One incoming Mission was facilitated by FTIB in the year.

• **Taiwan Trade & Investment Mission, (July 14th to 18th)**

FTIB facilitated the local logistics, meetings and visits for the 15-member Taiwanese Delegation who visited Fiji on a scoping mission. To facilitate an audience with relevant Fiji agencies, a roundtable meeting was organised with the line departments and ministries of the areas of interest of the Delegation. FTIB facilitated and organised appointments, site-visits and private meetings with local companies and government authorities on behalf of the Fiji Trade Commission in Taiwan. Members of the Delegation have placed orders for samples of timber and virgin coconut oil to undergo tests in Taiwan, which are expected to translate into firm export orders in the near future.

SEMINARS

As part of the FTIB's promotional work in conducting awareness campaigns

to facilitate trade, 4 seminars were held during the year on the following topics:

• **Presentation on the Pacific Island Countries Trade Agreement (PICTA)**

FTIB coordinated an in-house information seminar on PICTA for all staff, which was facilitated by a team from the Pacific Islands Forum Secretariat, with resource persons and materials also provided by the Forum Secretariat. The seminar focussed on what PICTA provides as opportunities for trade within the region, its benefits to Pacific Island Countries and the work undertaken by the Fiji authorities towards the Agreement. The in-house seminar was part of a series following on from two seminars that were organised for exporters in 2007.

• **Handicraft Market in the United States of America, (March 11th to 14th)**

Due to the interest in the US for local handicrafts, a seminar was organised by the FTIB in collaboration with the Fiji Trade Commission in Los Angeles. A seminar was held in Suva and Lautoka which covered topics relating to the opportunities and requirements for handicraft exports into the US market.



Local Handicrafts on display at the Handicraft Seminar, held at JJ's on the Park, Suva



Participants at the Handicraft seminar, JJ's on the Park, Suva

The two seminars were well attended with 57 participants for the Suva session and 25 for Lautoka. The resource person that was engaged by the Fiji Trade Commission in Los Angeles held one-to-one consultations with participants of the seminars, providing tips on the suitability of their local products and suggesting improvements. Of all the participants that attended both the seminars, only ten individuals were chosen to take their handicrafts for promotion to the USA. The Bureau organised and facilitated all arrangements, in

collaboration with the Fiji Arts Council and the Fiji Trade Commission in Los Angeles.

• **Exporting Mahogany Seminar, (September 2nd to 4th)**

The Bureau had received a lot of interest for Fiji's mahogany and mahogany products from the USA. This prompted the Bureau to work with the Fiji Trade Commission in Los Angeles in organizing and facilitating a seminar in this regard. The Seminar was held on the 2nd and 4th of September in Suva and Lautoka, respectively. The

seminars were conducted primarily by Mr. Bill Mitchell a specialist in the US market for hardwood and mahogany timber resources, wood products manufacturing, plant operational assessments, lumber drying and wood fibre and biomass surveys. The Trade Commissioner to the USA also presented information and statistics on the US market and opportunities that were available for Mahogany exporters.

• **Prime Minister's Mini Economic Summit, (September 5th to 6th)**

The Prime Minister's Mini Economic Summit with the theme "Rebuilding Confidence and Growing the Economy", was held at the Tradewinds Convention Centre for both the private and public sectors. This provided an opportunity for stakeholders to engage in meaningful discussions on factors that hinder and/or impede economic growth and to identify ways to improve the state of the economy. Participants covered topics such as institutional and policy reforms, improving productivity and growing industries and exports. The Bureau assisted the Steering Committee chaired by the National Council for Building a Better Fiji, to organise and facilitate the mini economic summit which was officiated at by the Prime Minister.

EXPORTERS ASSISTED THROUGH FUNDING/ TECHNICAL ASSISTANCE SCHEMES

Part of the Bureau's assistance to exporters is the facilitation of funding schemes administered by regional and international organisations such as the Pacific Islands Forum Secretariat (PIFS) and the ACP/EU-administered Centre for the Development of Enterprises (CDE). This

year saw a number of applications from exporters, some of which were successful.

- **Marketing Support Fund (MSF)**

The MSF was established by the Pacific Islands Forum Secretariat to assist micro, small and medium enterprises of the Forum Island Countries in a variety of ways. Essentially, the Fund aims to assist these enterprises with an injection of direct financial assistance targeted at increasing market access, enhancing products to gain a competitive edge and to grow export potential and capability. Six applications for the MSF were received and processed by the Bureau during the reporting period. Two companies' applications for the "Exhibition Participation" component and one for the "Market Research" component were approved by the Pacific Islands Forum Secretariat.

- **Centre for the Development of Enterprises (CDE)**

The CDE is an ACP/EU institution that is jointly staffed, created in the framework of the Cotonou Agreement and financed by the European Development Fund (EDF). Its objective is to ensure the development of professional African, Caribbean & Pacific (ACP) enterprises and organisations in the private sector. CDE contributes in general up to a maximum of two thirds of the total costs of these different interventions. The Information, Communications, Technology Association of Fiji was the lone recipient of funding from the CDE in 2008.

- **Other**

A number of exporters approached the Bureau for assistance with technical issues relating to trade facilitation. Meetings were held with the relevant

ministries and agencies to discuss and resolve issues and constraints. These issues included the use of the EUR Movement Certificate by exporters to the European Union, the setting up of pharmaceutical operations in Fiji for exports, and those relating to the fishing, forestry, and dairy industries.

SECRETARIAT

- **Business Councils**

The Bureau continued its functions as Secretariat to the Fiji Australia Business Council (FABC) and Fiji New Zealand Business Council (FNZBC) until May, when KPMG took over the role as Secretariat to the FNZBC and November when the Suva Business Centre took over Secretariat functions of the FABC.

- **ICT Association of Fiji**

The ICT Association of Fiji was registered in July 2007. The primary objective of the Association is the ongoing development and growth of the ICT industry in Fiji. Members of the Association comprise incorporated ICT organisations and enterprises with significant focus and involvement in the ICT sector.

FTIB, as Secretariat, organised the launching of the ICT Association by the Minister for Industry, Trade, Tourism & Communications on April 10th 2008. The launching was well attended by members of the ICT Sector as well as Government agencies and regulatory bodies, and featured addresses and presentations by the Minister, the Chairman of the FTIB Board and the Managing Director of Quest Fiji Limited. Since the launch of this august body, FTIB has been involved in the administration and promotion

of the Association, often acting as an important liaison with Government.

ENQUIRIES ON EXPORT OPPORTUNITIES

The Bureau received a total of 197 queries on trade opportunities during the year. Enquiries received were mostly from Fiji exporters seeking contacts for overseas markets, market access information, financial assistance schemes available and export incentives, amongst others. Potential buyers from offshore also requested details of exporters of a variety of commodities, with construction and building items being the most prevalent.

DHL PRIME MINISTER'S EXPORTER OF THE YEAR AWARDS

The Prime Minister's Exporter of the Year Awards is an annual event organised by the FTIB to acknowledge and celebrate the achievements of Fiji's exporters and their contribution to the Fiji economy. DHL Express (Fiji) Ltd was the major sponsor of the 16th Prime Minister's Exporter of the Year Awards and a number of private sector companies and organisations also contributed to the ultimate success of the event through their generous sponsorship.

The DHL Prime Minister's Exporter of the Year Awards function was held on 15th November at the Shangri-La's Fijian Resort & Spa, with the theme "Export Enhancement – The Path to Economic Growth". The function was officiated at by the Acting Prime Minister and Minister for Fijian Affairs, Ratu Epeli Ganilau.

Fifty three companies applied for 18 categories which were sponsored by



Mr. John Campbell, Managing Director of Air Pacific Limited, winner of the 2008 DHL Prime Minister's Exporter of the Year Award. (Flanked by FTIB CEO - Mrs Annie Rogers, Chief Guest and Acting Prime Minister - Ratu Epeli Ganilau, FTIB Chairman Mr Francis Narayan and DHL General Manager Nick Taylor)



Pure Fiji's Mrs Gaetane Austin with the Sun Insurance Unique Exporter of the Year Award



Mr and Mrs Peni Moi of Ben's Trading Ltd accepting one of two Awards won on the night



ACS (Fiji) Limited winner of the FINTEL ICT Exporter of the Year Awards

different companies. These categories included the Special, General and main Awards. Two new Awards were introduced – the Agro-Processing Exporter of the Year and the Information Communication Technology Services Exporter of the Year.

2008 AWARD WINNERS

Main Award

- DHL Prime Minister's Exporter of the Year Award
Air Pacific Limited

General Awards

- Colonial Fiji Group Small Exporter of the Year Award
Ram's Valley Fresh Produce
- LICl Medium Exporter of the Year Award
J Hunter Pearls Fiji
- ANZ Large Exporter of the Year Award
Air Pacific Ltd
- Westpac Services Award
Quest Ltd

Special Awards

- Sun Insurance Unique Exporter of the Year Award
Pure Fiji
- Vinod Patel Emerging Exporter of the Year Award
Pacific Tuna Company Ltd
- Technix Bitumen Exporter to New Zealand Award
Mahend's Exports Ltd
- Fiji Australia Business Council Exporter to Australia Award
Shangri-La Fiji Resort & Spa
- Digicel Exporter to the Pacific Islands Award
Flour Mills of Fiji
- Flour Mills of Fiji Exporter to the United States of America Award
Pure Fiji
- Fijian Holdings Indigenous Exporter of the Year Award
Ben's Trading Ltd
- Reserve Bank of Fiji Agriculture Exporter of the Year Award
Ben's Trading Ltd

- Hangton Pacific Fisheries Exporter of the Year Award
Mannah (Fiji) Ltd
- Tropik Wood Industries Forestry Exporter of the Year Award
Dayal's Sawmillers Ltd
- Island Chill Tourism Services Exporter of the Year Award
Rosie Holidays
- FSC Agro-Processing Exporter of the Year Award
Foods Processors Ltd
- FINTEL Information Communication Technology Services Exporter of the Year Award
Affiliated Computer Services (Fiji) Ltd

The awards function had a good turnout of about 450 guests, who were sponsors of the event, Ministers and diplomats, members of the private sector and professionals from various organisations.

Strategic Planning And Policy Development

The Strategic Planning and Policy Development Division prepares and compiles the Bureau's submissions and reports to the FTIB Board of Directors and to the Ministry of Industry, Tourism, Trade and Communications (MITTC).

The Division also ensures the availability of updated information contained in promotional materials and the Bureau's website which are key marketing tools used by the Bureau. These materials are used by the Bureau for promotion both locally and abroad.

PLANS, REPORTS & AGREEMENTS FOR FTIB

The following key documents were coordinated and compiled by the Division for submission to the Ministry:

• Service Agreement

The Service Agreement is a key document that defines and articulates the work of the Bureau. The Agreement signed annually by the Chairman of the FTIB Board and the Minister for Industry, Tourism, Trade and Communications outlines the yearly targets for FTIB. Performance indicators were clearly identified in terms of related trade and investment activities ranging from enquiries, research, assistance provided to exporters and investors, seminars, trade exhibitions and promotional missions abroad. The achievement of the targets outlined in the Service Agreement essentially reflects the performance of FTIB (monitored through Quarterly Service Reports submitted to MITTC by the Bureau). The annual targets set in the service agreement were used as a guide in the development of the Bureau's Work Plan.

• Quarterly Service Reports

The Quarterly Service Reports (QSR) monitors the performance of FTIB on a quarterly basis. It provides an update and the progress of FTIB's activities, as measured against the targets stipulated in the Service Agreement. These reports were compiled and submitted to the MITTC on the 20th of each new quarter. The QSR are an important measure or benchmark used by the Bureau to assess its quarterly performance.

• Business Plan 2008/FTIB Work Plan

FTIB's Business Plan outlined the broad directions for the organisation in 2008 highlighting the major performance indicators. The Work Plan detailed the activities of the relevant Divisions contained in the Business Plan. The targets set out in the Work Plan 2008 was compiled in line with the overall targets of the Service Agreement. Detailed investment and trade promotion activities to be undertaken were clearly set out in the Work Plan.

• Budget 2009 Submission

FTIB submitted its contribution to Chapter 8 on Investment of the 2009 Budget Supplement to the Ministry of National Planning. The chapter highlighted development in terms of investment reforms, the foreign investment regulation and investment registration, facilitation and monitoring of projects. The measures undertaken by the Bureau to expedite implementation of projects were also highlighted. As part of the preparatory work for the submission, a survey questionnaire was distributed to the private sector to get their views on the incentives offered by Government. The results of the survey indicated the need for more tax incentives to be offered

by Government to boost investment in Fiji. Despite the low response rate from the survey, the issues raised were highlighted in the budget submission.

• Re-organisation of FTIB

It was the view of the Minister for Industry, Tourism, Trade and Communications and the FTIB Board of Directors that FTIB be re-organised and implement its new staffing structure to effectively carry out its promotion, registration, facilitation and monitoring roles. The initiative was consistent with improving Fiji's economic performance and enhances the level of investment by effective administration of the new case-based approach of facilitating investments. A paper on the "Reorganisation of FTIB" was compiled by the Division and approved by the Board.

• Country/Sectoral Briefs

The Bureau, at the invitation of the Prime Minister, was part of the PM's delegation that attended the World Tourism Summit in Dubai in April, 2008. Briefing papers highlighting the policies in place for Fiji's tourism and the aviation sectors were compiled for the Delegation. Additional briefing papers were also compiled presenting a comparative analysis of the opportunities available in the ICT and bio-fuel sectors in India, the United Arab Emirates, Qatar, Malaysia, Philippines and Mauritius in comparison with Fiji. The information served as part of the promotional information package for the Delegation to assist them in their meetings.

To strengthen the Bureau's information base and to improve accessibility, efficiency and effectiveness of information storage and access, a Web-Based Database for Investment

Tracking and Monitoring System was developed. The Fiji Government, as part of the E-Gov IT project, developed an on-line Investment Approvals Tracking System (IATS). These projects form part of initiatives to improve the Bureau's work performance by effectively carrying out its role of marketing Fiji's investment and trade opportunities.

PROJECTS

• **Web-Based Database - Investment Tracking & Monitoring System**

A Web-Based Investment Tracking and Monitoring System for FTIB was developed by Executive Solutions Development Network (ESDN). The main objective of the project was to design/build a Web-Based Investment Tracking and Monitoring Database to capture foreign investment related indicators realised through projects registered with the Bureau.

The database raised the Bureau's capacity to capture more accurate information on project registration, closely track and monitor registered projects, and also improved the recording of data and the ability to produce instant reports. The system

also empowers FTIB to maintain its clientele and build customer relationships.

• **E-Gov Investment Approvals Tracking System (IATS) Project**

The project is part of Government's reform programmes to improve turn-around time for processing and approving foreign investment project applications. The project, initiated by Information Technology & Computing Services (ITC) and MITTC was launched in July, 2008 to expedite the approval and tracking of investment applications amongst the investment approval agencies. The system enabled investors to submit new foreign investment applications, make payments on-line and be able to track approval status at each department agency which include FTIB, the Registrar of Companies (ROC) for company registration, Fiji Islands Revenue and Customs Authority (FIRCA) for VAT and tax registration, Immigration Department for work permit approval and the Reserve Bank of Fiji for approval and issue of shares and the respective town/city councils for business licenses. Investors will be able to complete applications on-line via <http://www.egov.gov.fj>

SECRETARIAT

• **Board Secretariat**

A key role of the FTIB Board is to set directions to guide the FTIB Management team in its function as the marketing arm of Government. The FTIB Board of Directors comprises eight directors out of which seven are Executives of key investment approval agencies and one from the private sector.

The Division provided secretariat services to the FTIB Board of Directors and oversees the organisation of Board meetings and the timely compilation and distribution of Board papers, Flying Minutes and other logistical arrangements. The Board held four meetings in 2008, out of which one was held at the Waterfront Hotel in Lautoka. The Board during this meeting also visited several projects namely Olosara Farm, South Pacific Electronics, Fiji Mineral Water and Quintain Agriculture Company Limited. The Board meeting scheduled in the West provided an opportunity to the Board of Directors to see the progress of projects registered with FTIB, and have first hand experience of the challenges as well as achievements of each project.



Kalabu Tax Free Zone

The Kalabu Tax Free Zone (KTFZ) located in Nasinu continues to offer high potential for growth and exciting opportunities for new investment particularly in the field of Information, Communication and Technology (ICT).

The Zone is the result of a Government investment and export development project that was financed by the European Union from the Sixth European Development Fund and was officially opened on September 1, 1997.

The Fiji Islands Trade & Investment Bureau was appointed by Government to administer the KTFZ, following which a Division of FTIB was established to manage the site. This Division is based within the Zone.

DEVELOPMENT OF THE ZONE

The KTFZ has significantly contributed to economic growth and employment creation from its inception and has expanded its facilities with the construction of new, and conversion of existing, buildings for ICT and manufacturing purposes over the years. Within the Zone, eight lots remain vacant and are available for future expansion to accommodate new



Administration building at KTFZ

investors. Developments so far at KTFZ have contributed towards creating employment for close to 1,000 locals and has generated numerous other benefits for the Fiji economy. Major developments in the Zone in 2008 included:

- The completion of 2 new building extensions during the year (for Mark One Apparel Ltd and Lyndhurst Ltd); and
- Designs for Phase 1 work in the refurbishment of Factory 7 to accommodate Mindpearl Ltd's operations were tendered for construction in late 2008; construction

was scheduled to commence in the first quarter of 2009.

BUSINESSES AT KTFZ

The Zone has eight factory buildings with a gross floor area of 270,319 sqft. It also has an Administration Building that accommodates FTIB staff, a Service Centre Complex that caters for 8 commercial shops, 5 bulk storage facilities and a crèche to accommodate working mothers employed at the Zone.

OCCUPANCY LEVEL

The average occupancy level based on the gross floor area of the factories, service centre complex and administration building was 93.6 percent in 2008.

COLLECTION RATE

Total rental collected in 2008 from the leasing of Factory Buildings and Shops increased by 6% from 2007. This represents a collection rate of 95 percent, based on total rental invoiced, for the year.



Factory buildings at KTFZ

MINDPEARL LIMITED

A contract was secured in 2008 with Mindpearl Ltd to set up operations at the KTFZ. This resulted from extensive negotiations between the company and Government which was facilitated by FTIB. Mindpearl Management made three trips to Fiji in 2008 to meet with senior Government officials and FTIB Management to confirm their investment plans for the Zone.

Mindpearl is an ICT call centre business specializing in the airline industry. The company was established in 1999 with the objective of providing call centre services to a consortium of 11 airlines flying globally to over 400 destinations, across all time zones. Mindpearl is currently providing call centre services to large airlines such as Delta and American Airlines.

The project is very significant for Fiji as it will provide many benefits for the economy such as the creation of close to 3,000 well paying jobs within two and half years, foreign exchange earnings, in addition to improving the overall welfare of many Fiji communities.

OTHER ACTIVITIES

Mark One Apparel Ltd – “Mission Green Earth Campaign”

- Mission Green Earth “Stand Up and Take Action” campaign staff and volunteers of Mark One Apparel Ltd participated in the planting of native Fijian trees at KTFZ on 17th October 2008;
- Mission Green Earth “Stand Up and Take Action” is a global campaign to plant 100 million trees and involves 100 million people taking action to alleviate poverty and environmental



Mission Green Earth Campaign Organisers and Mark One Apparel Staff

degradation worldwide. It is an initiative of the Art of Living Foundation that is supported by the United Nations (UN) Millennium Development Campaign and UN Environmental Program; and

- The event was targeted at raising awareness of the Millennium Development Goals formulated by the UN and in particular, working to achieve the goal to “ensure environmental sustainability”.

School Visits

KTFZ welcomed field excursions made by several schools including Vashist Muni College, Nadroga Navosa Fijian High School, Ram Pur College, The Advanced College of Education, Cathedral Secondary School and DAV College. The schools were informed of the roles and functions of KTFZ and taken on a guided tour of the Zone. The experience was educational and informative for the students and teachers involved who learnt of the importance of the Zone in creating employment and generating

economic activity for the benefit of the Fiji economy.

Maintenance of KTFZ

A key responsibility for Management is to ensure that the general upkeep and maintenance of the Zone is well addressed. A preventative maintenance team comprising of two handy men, two grounds men and one foreman were recruited during the year to undertake building and ground maintenance at the Zone.



Maintenance team at KTFZ

Building Internal Efficiency & Professional Capacity

PUBLIC RELATIONS

FTIB continued to pursue aggressive promotional campaigns locally and abroad on the available trade and investment opportunities Fiji offers.

Vision, Mission and Value statement banners were produced for all FTIB offices. A series of promotional posters and banners were also produced for exhibition at various trade and investment missions overseas during the year.

The FTIB revised "Investors Guide" was produced and disseminated during exhibitions at these trade missions and also distributed to visiting delegates and interested investors.

In addition to overseas trade and investment promotions, FTIB also had exhibitions at forums such as Trade and Investment Workshops for incoming Delegations, other stakeholder seminars and the University of the South Pacific Open Day.

Vigorous pursuits for the year also included promotion of the FTIB annually organized Exporter of the Year Awards (EYA). Generic advertisements, releases and feature stories generated from EYA related press conferences were published in the Fiji Times, Fiji Sun and the Daily Post and television commercials on Fiji Television. Theme and press banners were also produced for the Gala Dinner and Awards Night which was held at the Shangri-La's Fijian Resort and Spa on November 15, 2008.

The Bureau's major activities during the year were widely covered on television, print media, radio and on the FTIB and other stakeholders' websites.

HUMAN RESOURCES

Staff recruitment and development to ensure a high level of efficiency and effectiveness in service delivery has always been a key objective of Human Resource Management of the Bureau. A major development in 2008 was the change in leadership of the Bureau from Mrs. Lailun Khan, who had completed her term, to Mrs. Annie Rogers. In addition, the Bureau underwent an organisational restructure

later in the year to maximise its staffing complement. The restructure resulted in the amalgamation of two General Manager (GM) positions creating only one GM role. Similarly four managerial positions merged to create two Managerial positions. More recruitment and staff movements kept the Human Resource Management personnel occupied for the rest of the year.

The following management appointments were made during 2008:

Mr. Jhairud Dean	-	Manager Finance & Administration;
Ms. Kelera Cavuilati	-	Manager Export & Investment Development Promotion & Research; and
Mrs. Seini Fiu	-	Manager Investment Registration Facilitation & Monitoring.

Other New Appointments

Ms. Ashna Chandra	-	Planning Officer;
Ms. Frances Tavaiqia	-	Export Promotion Officer;
Ms. Ilisapeci Marama	-	Public Relations Officer;
Ms. Nafisa Maqbool	-	Property Administration Officer;
Ms. Navnita Chand	-	Senior Human Resources Officer;
Ms. Premit Singh	-	Finance Officer;
Ms. Sanjesh Narayan	-	Investment / Database Officer; and
Mr. Zarak Khan	-	Investment Promotion Officer.

Staff Movement

During the year, officers also temporarily held positions with greater responsibility in acting capacities. There were also internal transfers from Headquarters to the regional office to enhance overall service delivery.

TRAINING/WORKSHOPS/ FORUMS

Training is a major part of the FTIB's capacity building program for staff. Programmes are organised both locally and overseas. In 2008 twelve local and seven overseas training sessions were undertaken.

The majority of the local training programmes attended were organised by the Training and Productivity Authority of Fiji (TPAF) and covered a wide range of topics from accounting, administration and management to sector specific workshops such as strategic sustainable planning in tourism. The Fiji Institute of Accountants' Annual Congress is always an important forum to actively participate in and also provides an excellent opportunity to network with relevant key stakeholders.

The Bureau is especially grateful to the Government of the Peoples' Republic of China for sponsoring all the overseas training attended by staff in 2008.



Participants at the Seminar on Economic Administration for Latin America, Caribbean and South Pacific Countries (China)

Training offered was directly relevant to the work of the Bureau and has enhanced the understanding of officers and their appreciation of the Chinese Culture.

Local training programmes staff participated in the year were:

- Credit Control & Debt Management workshop;
- Strategic Sustainable Tourism Planning workshop;
- Legal Implications in Payroll Accounting;
- Exceptional Customer Service workshop;
- Advanced Project Management;
- Managing Accounts Receivables workshop;

- How to Establish the Labour Management Consultation Committee (LMCC) workshop;
- Lead and Manage People workshop;
- Microsoft Project Office 2003 workshop organised by Datec Fiji Limited covering topics such as Managing Windows 2003 applications and How to Safeguard Data in the Microsoft Windows Environment; and
- Financial Analysis Statement workshop organised by the Capital Markets Development Authority (CMDA).

Other Forum

- Fiji Institute of Accountants (FIA) – Annual Congress.

Overseas Training

- Seminar on Macro-Economic Development;
- Seminar on the Outward Looking Economy;
- Seminar on Economic Administration for Latin America, Caribbean and South Pacific Countries (China);
- Seminar for Chamber of Commerce & Industry for Latin America, Caribbean and South Pacific Countries (China);
- Seminar on Urban Business Planning Commodity Market Development & Management (China);
- Seminar on Chinese Culture and Economy (China); and
- Seminar for Logistics Management for Latin America, Caribbean/South Pacific Countries (China).



Financial Statements

For the year ended 31 December 2008

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AUDITOR'S REPORT

For the year ended 31 December 2008



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ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

File: 1239/1

11 September 2009

Mr. Villame Naupoto
Chairman of the Board
Fiji Islands Trade and Investment Bureau
6th Floor, Civic Tower
Victoria Parade,
SUVA

Dear Mr. Naupoto

AUDITED ACCOUNTS OF FIJI ISLANDS TRADE AND INVESTMENT BUREAU FOR THE YEAR ENDED 31 DECEMBER 2008

The audited financial statements of Fiji Trades and Investment Bureau for the year ended 31 December 2008, together with my audit report on them are enclosed.

Particulars of errors and omission arising from the audits have been forwarded to the Chief Executive Officer for his necessary action.

Yours sincerely

Tevita Bolanavanua
ACTING AUDITOR GENERAL

Encl.

AUDITOR'S REPORT

For the year ended 31 December 2008

REPUBLIC OF THE FIJI ISLANDS OFFICE OF THE AUDITOR GENERAL



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ACCOUNTABILITY IN THE PUBLIC SERVICE: SECURE SERVICES QUALITY AUDIT REPORTS

FIJI ISLANDS TRADE & INVESTMENT BUREAU ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

INDEPENDENT AUDIT REPORT

Scope

I have audited the financial statements of Fiji Islands Trade & Investment Bureau for the year ended 31 December 2008 in accordance with Section 19 of the Economic Development Board Act and section 13 of the Audit Act. The financial statement consists of the Consolidated Statement of Income Statement, Trade Promotion Special Account, and Consolidated Statement of Changes in Equity, Consolidated Balance Sheet, Consolidated Statement of Cash Flows and the accompanying notes on pages 6-14. The Bureau is responsible for the preparation and presentation of the financial statements and the information they contain. My responsibility is to express an opinion on these financial statements.

My audit has been conducted in accordance with Fiji Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material misstatement. The audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with the Fiji Accounting Standards and statutory requirements so as to present a view which is consistent with my understanding of the Bureau's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial statements present fairly in accordance with the Fiji Accounting Standards and statutory provisions, the financial position of the Bureau as at 31 December 2008 and the results of its operations and cash flow for the year then ended.

Tevita Bolanaravasa
ACTING AUDITOR GENERAL

Suva, Fiji
10 September 2009



CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE

For the year ended 31 December 2008

	NOTES	FTIB 2008 \$	KTFZ 2008 \$	CONSOLIDATED 2008 \$	CONSOLIDATED 2007 \$
THE INCOME FOR THE YEAR WAS DERIVED FROM:					
Government grant - operational	2	967,637	-	967,637	1,236,568
Other income	3	670,276	1,973,248	2,161,933	2,094,258
Total income		1,637,913	1,973,248	3,129,570	3,330,826
THE EXPENDITURE FOR THE YEAR WERE INCURRED ON:					
Personnel expenses	4	1,117,947	119,564	1,237,511	1,184,436
Depreciation	11	69,743	401,061	470,804	548,268
Operating expenses	5	240,772	471,136	711,908	537,083
Administrative expenses	6	209,451	539,128	266,988	194,964
Total operating expenditure		1,637,913	1,530,889	2,687,211	2,464,751
Interest expense		-	35,503	35,503	157,343
Net Surplus for the year		-	406,856	406,856	708,732

The statement of income and expenditure is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 35 to 43.

FIJI ISLANDS TRADE AND INVESTMENT BUREAU

**TRADE PROMOTIONS, SPECIAL ACCOUNTS
STATEMENT OF INCOME AND EXPENDITURE**

For the year ended 31 December 2008

	NOTES	FTIB 2008 \$	KTFZ 2008 \$	CONSOLIDATED 2008 \$	CONSOLIDATED 2007 \$
THE INCOME FOR THE YEAR WAS DERIVED FROM:					
Government Grant		32,082	-	32,082	210,277
Other income	7	211,936	-	211,936	196,780
Total income		244,018	-	244,018	407,057
THE EXPENDITURE FOR THE YEAR WERE INCURRED ON:					
Trade Promotion expenses	8	246,948	-	246,948	324,546
Surplus for the year		(2,930)	-	(2,930)	82,511

The statement of income and expenditure is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 35 to 43.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2008

	NOTES	FTIB 2008 \$	KTFZ 2008 \$	CONSOLIDATED 2008 \$	CONSOLIDATED 2007 \$
ASSET REVALUATION RESERVE					
Balance as at 1 January		66,458	14,531,023	14,597,481	14,597,481
Movement during the year		-	-	-	-
Balance as at 31 December		66,458	14,531,023	14,597,481	14,597,481
ACCUMULATED FUNDS					
Balance as at 1 January		199,906	2,885,286	3,085,192	2,293,950
Surplus from operations		-	406,856	406,856	708,732
Surplus from trade promotions		(2,930)	-	(2,930)	82,511
Balance as at 31 December		196,976	3,292,142	3,489,118	3,085,193
TOTAL EQUITY		263,434	17,823,165	18,086,599	17,682,674

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 35 to 43.

CONSOLIDATED BALANCE SHEET

For the year ended 31 December 2008

	NOTES	FTIB 2008 \$	KTFZ 2008 \$	CONSOLIDATED 2008 \$	CONSOLIDATED 2007 \$
ASSETS					
Current Assets					
Cash on hand and at Bank	9	730,182	617,349	1,347,531	868,732
Receivables	10	107,477	431,020	324,952	213,148
Total Current Assets		837,659	1,048,369	1,672,483	1,081,880
Non Current Assets					
Property, plant and equipment	11	366,451	17,910,577	18,277,028	17,682,853
Work In Progress - Factory Building		-	49,921	49,921	-
Total Non Current Assets		366,451	17,960,498	18,326,949	17,682,853
TOTAL ASSETS		1,204,110	19,008,867	19,999,432	18,764,733
LIABILITIES					
Current Liabilities					
Interest bearing borrowings	15	-	-	-	271,227
Trade creditors and accruals		182,711	28,309	211,020	206,891
Other creditors	12	89,406	203,829	79,690	151,599
Income received in advance	13	429,646	-	429,646	44,508
Provision for employee entitlements	14	35,445	2,265	37,711	63,922
Deferred income	16	34,850	-	34,850	-
Total Current Liabilities		772,059	234,403	792,917	738,147
Non Current Liabilities					
Interest bearing borrowings	15	-	951,299	951,299	326,140
Provision for employee entitlements	14	168,617	-	168,617	17,772
Total Non Current Liabilities		168,617	951,299	1,119,916	343,912
TOTAL LIABILITIES		940,676	1,185,702	1,912,833	1,082,059
NET ASSETS		263,434	17,823,165	18,086,599	17,682,674
ACCUMULATED FUNDS AND RESERVES					
Accumulated funds and reserves		263,434	17,823,165	18,086,599	17,682,674
TOTAL EQUITY		263,434	17,823,165	18,086,599	17,682,674

Board's statement

In our opinion the financial statements have been properly drawn up so as to give a true and fair view of the Fiji Islands Trade and Investment Bureau's operations for the year ended 31 December 2008 and its state of affairs and cash flows as at that date.


CHAIRMAN

Date: 3/9/09


CHIEF EXECUTIVE

Date: 3/9/09

The balance sheet is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 35 to 43.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2008

	NOTES	CONSOLIDATED 2008 \$	CONSOLIDATED 2007 \$
Cash flows from Operating Activities			
Grants and others		967,637	1,236,568
Surplus from special account		(2,930)	82,511
Receipts from clients		2,096,951	2,026,245
Payments to suppliers and employees		(1,809,919)	(1,909,070)
Net cash provided by Operating Activities	19(b)	1,251,739	1,436,254
Cash flows from Investing Activities			
Payments for property, plant & equipment		(1,176,056)	(214,071)
Proceeds from sale of property, plant & equipment		49,184	-
Net cash used in Investing Activities		(1,126,872)	(214,071)
Cash flows from Financing Activities			
Proceeds from ANZ Loan		947,769	-
Repayments of ANZ Loan		(593,837)	(1,849,007)
Net cash (used in) / provided by Financing Activities		353,932	(1,849,007)
Net increase/(decrease) in cash held		478,799	(626,824)
Cash at the beginning of the year		868,732	1,495,556
Cash at the end of the year	19(a)	1,347,531	868,732

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 35 to 43.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

Note 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Fiji Islands Trade and Investment Bureau is a Government of Fiji entity domiciled in the Republic of the Fiji Islands. The financial statements were authorised for issue by the directors on 03 September, 2009.

The significant policies, which have been adopted in the preparation of these financial statements are:

a) Basic of Preparation

The financial statements of the Bureau have been drawn up in accordance with Fiji Accounting standards and the requirements of law. They have been prepared by applying the concept of accrual accounting and on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied.

b) Property, Plant and Equipment

Property, plant and equipment have been included in the financial statements either at cost or their revalued amounts based on an independent valuation. The revaluations were calculated based on the existing use of the relevant assets.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the assets belong. Impairment losses are recognised in the income statement.

c) Depreciation

The principal depreciation rates in use are as follows:

	Acquired prior to 1 January 1997	Acquired after to 1 January 1997
Audio Visual Equipment	50%	20%
Buildings	2.5%	3%
Computer Equipment	20%	20%
Furniture and Fittings	10%	10%
Leasehold Improvements	10%	10%
Leasehold Land	1%	1%
Office Equipment	15%	15%
Motor Vehicles	20%	20%

All assets are depreciated on a straight-line basis. Assets acquired before 1 January 1997, which were valued for opening balance purposes are depreciated on an average estimated remaining useful life for each class of assets.

Gains or losses on disposal of property, plant and equipment are recognised in the income statement in the year of disposal.

d) Doubtful Debts

The collectability of debts is assessed at year end and specific provisions are made for any doubtful accounts.

e) Foreign Currency

Foreign currency transactions are translated to Fiji dollars at the rate of exchange ruling at the date of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling on that date.

f) Provision for Employee Entitlements

Employee entitlements including provision for annual leave and long service leave relate to amounts expected to be paid to employees and is based on contractual entitlements.

Provision for annual and long service leave are made only when the employee reaches eligibility status.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

Note 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

g) Taxation

The Bureau is exempted from income tax under section 17(24) of the Income Tax Act. Cap 201. Value Added Tax however is applicable in respect of commercial transactions.

h) Kalabu Tax Free Zone

The assets of the Kalabu Tax Free Zone were transferred to the FTIB on 1 July 1997 after a directive from the Minister for Commerce, Industries, Public Enterprises and Co-operatives. The Bureau is to administer and operate the zone. The operation of the zone is treated as a separate division and is consolidated with that of the Bureau in this financial statement.

i) Comparatives

Comparatives have been reclassified where necessary to conform with the current presentation.

j) Revenue recognition

Revenue relating to government grant is recognised when there is reasonable assurance that the Bureau will comply with the conditions attaching to it, and that the grant will be received. Other revenue is brought to account when it is earned.

Note 2. GOVERNMENT GRANTS

Apart from the grant for operational purposes of the Bureau, Government also provided funds for trade promotion expenditure during 2008. These funds were provided through the Ministry of Trade and Commerce.

Treatment Of Government Grant

As per Fiji Accounting Standards 20, the income approach has been used for the accounting of the government grant. Under this method, operating and capital grants are presented as a credit in the statement of income and expenditure separately.

Government grant used for capital expenditure is taken up as deferred income and is reduced annually by the amount of depreciation of those assets over their useful lives (Refer Note 16).

NOTE 3. OTHER INCOME

	FTIB 2008 \$	KTFZ 2008 \$	CONSOLIDATED 2008 \$	CONSOLIDATED 2007 \$
Gain on sale of Fixed Assets	11,972	-	11,972	-
Interest	-	-	-	38,850
Management Fee (inter division)	331,591	-	-	-
Miscellaneous income	153,146	8,265	161,411	27,595
Proceeds From Sale of Products Directory	5,244	-	5,244	2,933
Realization of Deferred Income	6,928	-	6,928	20,178
Rent - Service Centre	-	99,465	99,465	125,230
Rent - Factories	-	1,865,518	1,865,518	1,853,741
Secretariat Fee - Fiji and Australia Business Council	10,365	-	10,365	15,259
Secretariat Fee - Fiji and New Zealand Business Council	-	-	-	9,562
Sublease of Land (inter division)	150,000	-	-	-
TPAF Grant	1,030	-	1,030	910
	670,276	1,973,248	2,161,933	2,094,258

Miscellaneous income includes FIRC registration fee, FIRC extract fee, project fee for Factory 3 & Factory 8, miscellaneous revenue received from the investors guide and past reimbursement for costs incurred on workshops, sale of topsoil, and tender document fees.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

NOTE 4. PERSONNEL EXPENSES

	FTIB 2008 \$	KTFZ 2008 \$	CONSOLIDATED 2008 \$	CONSOLIDATED 2007 \$
FNPF Contribution	71,427	8,404	79,831	81,584
FNTC Levy	9,368	1,667	11,035	10,347
Provision for Long Service Leave	(2,285)	-	(2,285)	3,632
Provision for Retirement Benefit	153,809	-	153,809	4,236
Salaries and Wages	877,261	102,516	979,777	1,061,080
Staff Training	3,078	1,492	4,570	18,112
Wages Casual	5,289	5,485	10,774	5,445
	1,117,947	119,564	1,237,511	1,184,436

NOTE 5. OPERATING EXPENSES

Doubtful Debts	-	50,826	50,826	-
Factory and Landscape	-	72,538	72,538	106,007
Insurance	50,489	90,705	141,194	143,010
Land Rental	9,365	-	9,365	3,750
Local Investment Seminars	15,102	-	15,102	15,574
Market Research	-	139,449	139,449	15,165
Motor Vehicle Repairs and Maintenance	15,147	3,337	18,484	12,516
Office Expenses	15,094	2,922	18,016	20,075
Other Expenses	4,800	-	4,800	(1,940)
Printing	10,458	196	10,654	23,287
Postage and Courier	2,162	-	2,162	1,753
Professional Fee	-	35,321	35,321	12,270
Rent	118,155	-	118,155	118,155
Security Hire	-	75,842	75,842	67,461
	240,772	471,136	711,908	537,083

NOTE 6. ADMINISTRATIVE EXPENSES

Advertising and Public Relations	27,471	6,434	33,905	10,717
Audit Fee	4,000	3,000	7,000	3,000
Bank Charges	4,023	10,639	14,662	15,910
Board Members expenses	1,713	-	1,713	16,336
Computer Repairs	14,269	2,620	16,889	10,290
Directors Fee	18,609	-	18,609	-
Electricity	34,864	7,310	42,174	35,011
Entertainment and Hospitality	7,280	2,024	9,304	160
Legal Fee	9,610	-	9,610	18,162
Management Fee (inter division)	-	331,591	-	-
Rates	-	13,150	13,150	9,039
Repairs	2,965	1,840	4,805	7,116
Stationery	13,773	2,503	16,276	12,214
Subscriptions	6,050	306	6,356	2,137
Sublease of land (inter division)	-	150,000	-	-
Telephone and Fax	23,499	6,158	29,657	33,738
Telephone Computer Line	10,802	1,312	12,114	12,285
Travel/Accommodation and Subsistence	30,523	241	30,764	8,849
	209,451	539,128	266,988	194,964

NOTE 7. TRADE PROMOTION INCOME - OTHERS

Exporter of the Year Award	211,334	-	211,334	176,747
Others	602	-	602	20,033
	211,936	-	211,936	196,780

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

NOTE 8. TRADE PROMOTION EXPENSES

	FTIB 2008 \$	KTFZ 2008 \$	CONSOLIDATED 2008 \$	CONSOLIDATED 2007 \$
BPO Market Research	-	-	-	38,981
China Mission	19,831	-	19,831	1,103
Delegation to China	-	-	-	81,312
Exporter of the Year Award	189,561	-	189,561	125,912
Mission - Dubai & Singapore	-	-	-	64,321
Mission to India	-	-	-	12,249
Mission to New Zealand	20,739	-	20,739	-
Mission to Tonga, Samoa and American Samoa	-	-	-	6,045
PM's Visit to Dubai	16,817	-	16,817	-
Trade Mission - New Caledonia	-	-	-	(5,602)
Trade Mission - Papua New Guinea	-	-	-	225
	246,948	-	246,948	324,546

NOTE 9. CASH ON HAND AND AT BANK

ANZ Banking Group - Operational Account	663,677	-	663,677	291,102
ANZ Banking Group - Kalabu Tax Free Zone	-	617,049	617,049	493,699
ANZ Banking Group - Trust Account	66,005	-	66,005	83,131
Petty Cash	500	300	800	800
	730,182	617,349	1,347,531	868,732

NOTE 10. RECEIVABLES

Accountable Advance	940	558	1,498	-
Other Receivables	40,650	153,679	194,329	152,031
Debtors	60,989	204,290	265,279	144,325
Provision for Doubtful Debts	(79,242)	(63,358)	(142,600)	(91,774)
	23,337	295,169	318,506	204,582
Prepayments	6,446	-	6,446	8,566
Interest Receivables -Staff Advance	-	-	-	-
Deposits	-	-	-	-
Receivable from inter division	77,694	135,851	-	-
	107,477	431,020	324,952	213,148

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

NOTE 11. PROPERTY, PLANT AND EQUIPMENT

Fiji Islands Trade & Investment Bureau

<u>Cost/Valuation</u>	Audio Equipment \$	Computer Equipment \$	Furniture & Fittings \$	Leasehold Improvements \$	Office Equipment & Others \$	Motor Vehicles \$	Total \$
Balance 01/01/2008 - at cost	6,177	202,728	46,812	163,231	77,558	203,325	699,831
Acquisitions	-	74,075	5,778	21,872	2,051	145,345	249,121
Disposals	-	-	-	-	-	(140,222)	(140,222)
Balance 31/12/2008	6,177	276,803	52,590	185,103	79,609	208,448	808,730
<u>Accumulated Depreciation</u>							
Balance 01/01/2008	5,496	133,253	31,514	120,095	48,522	112,724	451,604
Depreciation for the year	214	31,267	3,038	10,692	9,000	15,532	69,743
Disposals	-	-	-	-	-	(79,068)	(79,068)
Balance 31/12/2008	5,710	164,520	34,552	130,787	57,522	49,188	442,279
<u>Carrying Amount</u>							
At 1 January 2008	681	69,475	15,298	43,136	29,036	90,601	248,227
At 31 December 2008	467	112,283	18,038	54,316	22,087	159,260	366,451

Kalabu Tax Free Zone

<u>Cost/Valuation</u>	Buildings \$	Computer Equipment \$	Furniture Fittings \$	Leasehold Land \$	Office Equipment & Others \$	Motor Vehicles \$	Total \$
Balance 01/01/2008 - at cost	12,477,425	31,035	16,728	2,859,536	47,709	48,000	15,480,433
- at valuation	99,952	-	-	3,603,088	-	-	3,703,040
Acquisitions	862,754	1,742	3,176	-	9,340	-	877,012
Disposals	-	-	-	-	-	-	-
Balance 31/12/2008	13,440,131	32,777	19,904	6,462,624	57,049	48,000	20,060,485
<u>Accumulated Depreciation</u>							
Balance 01/01/2008 - at cost	314,099	20,533	12,972	1,358,534	34,709	8,000	1,748,847
Depreciation for the year	320,945	3,796	1,537	60,942	4,241	9,600	401,061
Disposals	-	-	-	-	-	-	-
Balance 31/12/2008	635,044	24,329	14,509	1,419,476	38,950	17,600	2,149,908
<u>Carrying Amount</u>							
At 1 January 2008	12,263,278	10,502	3,756	5,104,090	13,000	40,000	17,434,626
At 31 December 2008	12,805,087	8,448	5,395	5,043,148	18,099	30,400	17,910,577

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

NOTE 11. PROPERTY, PLANT AND EQUIPMENT (Continued)

Consolidated

	Audio Equipments	Buildings	Computer Equipment	Furniture Fittings	Leasehold Improvements	Leasehold Land	Office Equipment & Others	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost/Valuation									
Balance 01/01/2008 - at cost	6,177	12,477,425	233,763	63,540	163,231	2,859,536	125,267	251,325	16,180,264
- at valuation	-	99,952	-	-	-	3,603,088	-	-	3,703,040
Acquisitions	-	862,754	75,817	8,954	21,872	-	11,391	145,345	1,126,133
Disposals	-	-	-	-	-	-	-	(140,222)	(140,222)
Balance 31/12/2008	6,177	13,440,131	309,580	72,494	185,103	6,462,624	136,658	256,448	20,869,215
Accumulated Depreciation									
Balance 01/01/2008	5,496	314,099	153,786	44,486	120,095	1,358,534	83,231	120,724	2,200,451
Depreciation for the year	214	320,945	35,063	4,575	10,692	60,942	13,241	25,132	470,804
Disposals	-	-	-	-	-	-	-	(79,068)	(79,068)
Balance 31/12/2008	5,710	635,044	188,849	49,061	130,787	1,419,476	96,472	66,788	2,592,187
Carrying Amount									
At 1 January 2008	681	12,263,278	79,977	19,054	43,136	5,104,090	42,036	130,601	17,682,853
At 31 December 2008	467	12,805,087	120,731	23,433	54,316	5,043,148	40,186	189,660	18,277,028

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

NOTE 12. OTHER CREDITORS

	FTIB 2008 \$	KTFZ 2008 \$	CONSOLIDATED 2008 \$	CONSOLIDATED 2007 \$
Other Creditors	-	113,680	113,680	86,232
VAT Payable	(46,445)	12,455	(33,990)	65,367
Payable to inter division	135,851	77,694	-	-
	<u>89,406</u>	<u>203,829</u>	<u>79,690</u>	<u>151,599</u>

NOTE 13. INCOME RECEIVED IN ADVANCE

Commonwealth Training Fund	11,300	-	11,300	11,300
New Zealand Export Enhancement Scheme	90	-	90	90
Austrade Training	33,118	-	33,118	33,118
Government Grant - Operating	385,138	-	385,138	-
	<u>429,646</u>	<u>-</u>	<u>429,646</u>	<u>44,508</u>

Government Grant relates to the unutilized grants from year 2008 which will be expensed in year 2009.

NOTE 14. PROVISIONS FOR EMPLOYEE ENTITLEMENT

Current

Balance at 1 January, 2008	54,788	9,135	63,923	53,266
Provision made during the year	-	-	-	61,494
Provision used during the year	(19,343)	(6,869)	(26,212)	(50,838)
Balance at 31 December 2008	<u>35,445</u>	<u>2,265</u>	<u>37,711</u>	<u>63,922</u>

Non Current

Balance at 1 January, 2008	17,772	-	17,772	8,210
Provision made during the year	150,845	-	150,845	13,325
Provision used during the year	-	-	-	(3,763)
Balance at 31 December 2008	<u>168,617</u>	<u>-</u>	<u>168,617</u>	<u>17,772</u>

NOTE 15. INTEREST BEARING BORROWINGS

Current

ANZ Loan	-	-	-	271,227
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Non-Current

ANZ Bank Loan	-	951,299	951,299	326,140
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A loan from ANZ Bank was taken to finance construction of Factory 3 and 8 Conversion at Kalabo Tax Free Zone at an interest rate of 6.00% per annum for a term of 15 years. The following are held by the bank for security:

- i) General lien dated 17.07.2000;
- ii) Registered mortgage over CL13324 (part of Lot 5 on DP032); and
- iii) Deed of assignment over rental proceeds from Lot 5 over DP032.

NOTE 16. DEFERRED INCOME

Deferred Government Grant Income	41,778	-	41,778	20,178
Less Amortisation of Deferred Income	(6,928)	-	(6,928)	(20,178)
	<u>34,850</u>	<u>-</u>	<u>34,850</u>	<u>-</u>

Deferred Income Grant relates to the capital Grant received to purchase a Motor Vehicle for the FTIB Chairman. The Amortisation is equal to the depreciation amount in the Fixed Asset Register.

NOTE 17. RELATED PARTY DISCLOSURES

The Directors of the Board in office at the date of this report are:

Francis Bipin Narayan
 William Situ
 Mesake Mara
 Jitoko Tikolevu
 Maraia Ubitau
 Adi Banuve Kaumaitotoya
 Peceli Vocea
 Viliame Naupoto

Transactions with related party

Board Members' fees			18,609	16,336
			<u>18,609</u>	<u>16,336</u>

All transactions during the year with the related party are in ordinary course of the business on normal terms.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

NOTE 18. CONTINGENT LIABILITY AND CAPITAL EXPENDITURE COMMITMENTS

	CONSOLIDATED 2008 \$	CONSOLIDATED 2007 \$
Capital Commitments		
Capital commitments	189,597	-
This relates to the development of the ICT Centre.		
Contingent Liabilities		
Bank Guarantee	3,000	3,000
Deed of Guarantee	85,045	85,045
	<u>88,045</u>	<u>88,045</u>
Lease Commitments		
Future operating lease rentals not provided for in the financial statements and payable:		
Not later than 1 year	8,500	8,500
Later than 1 year but not later than 5 years	42,500	42,500
Later than 5 years	665,750	674,250
	<u>716,750</u>	<u>725,250</u>

Operating lease expenditure and commitments contracted for are payable as follows with details of the major operating leases:

The Bureau entered into two lease agreement with Lands Department for its land on Kalabu Tax Free Zone and Vatuwaqa. The Vatuwaqa land was supposed to be used for an ICT centre but no developments have been made to-date. The term of lease is for 99 years and under the agreement, rent is payable at \$7,500 for the KTFZ and \$1,000 for Vatuwaqa on a yearly basis.

NOTE 19. STATEMENT OF CASH FLOWS

- a) For the purpose of the statement of cash flows, cash includes cash on hand and at bank. Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as:

ANZ Banking Group - Operational Account	663,677	291,102
ANZ Banking Group - Kalabu Tax Free Zone	617,049	493,699
ANZ Banking Group - Trust Account	66,005	83,131
Petty Cash	800	800
	<u>1,347,531</u>	<u>868,732</u>

- b) Reconciliation of operating profit to net cash flow from operating activities

Net consolidated surplus	406,856	708,732
Net (deficit)/surplus from special account	(2,930)	82,511
Surplus after adjustments	<u>403,926</u>	<u>791,243</u>
Gain on sale of assets	11,972	-
Depreciation expense	470,804	548,268
Realization of deferred income	34,850	(20,178)
Provision for employee entitlements	124,633	18,524
Non cash adjustments on accruals	9,136	137,879
(Decrease)/increase in creditors	(76,916)	8,352
Increase in receivables	(111,804)	(44,514)
Increase/(decrease) in income in advance	385,138	(3,320)
Net cash provided by operating activities	<u>1,251,739</u>	<u>1,436,254</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

Note 20. SEGMENT REPORTING

- a) Industry segment
The Bureau promotes, stimulates and facilitates trade and investment in Fiji.
- b) Geographical segment
The Bureau operates in Fiji and is therefore one geographical area for reporting purposes.

Note 21. PRINCIPAL ACTIVITIES

The principal activity of the Bureau is to promote, stimulate and facilitate trade and investment in Fiji.

Note 22. BUREAU DETAILS

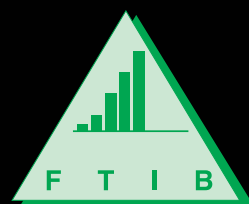
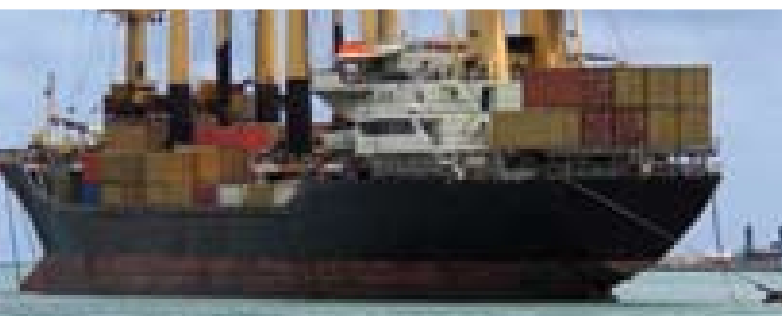
- a) Registered office and principal place of business
The Bureau's registered office is located at Level 6, Civic Tower, Victoria Parade, Suva, Fiji Islands.
- b) Number of Employees at the end of the year
As at balance date, the company employed a total of 53 employees (2007: 33)

Note 23. SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Bureau, the results of those operations, or the state of affairs of the Bureau in future financial years.







Fiji Islands Trade and Investment Bureau
...WE MEAN BUSINESS

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