

## **PAPER SUBMITTED BY THE TRADE PROMOTION ORGANISATION: FIJI**

### **I. Introduction**

In Fiji the largest island, Viti Levu has an International Airport, two main ports, most of the primary and secondary industrial development, and the bulk of the tourism infrastructure. On the second largest island, Vanua Levu, are centred the main economic activities of the sugar, logging, copra, fishing and tourism industries.

The principal sources of foreign exchange earnings are tourism, sugar, textile & footwear, fish, forestry and mineral water, plus personal remittances from Fijians working abroad. The main trading partners are Australia, New Zealand, the US, Japan and the (EU).

Over the past 10 years, export oriented sectors mainly the garments, wood products and tuna canning have grown to account for 16% of GDP

Fiji is ideally situated as a location to which to outsource certain office processes

Fiji continues to demonstrate a strong commitment to regional integration and is part of the group of Pacific ACP<sup>1</sup> countries currently negotiating an EPA with the EU and is also a member of the WTO

### **II. THE ROLE, STRUCTURE AND SCOPE OF THE ORGANISATION**

FTIB is both the TPO and the IPA of Fiji, and provides services and assistance to promote, facilitate and stimulate increased investment and exports. Specifically these services include:

- Attending to trade and investment enquiries by both local and overseas investors;
- Appraisal of investment proposals
- Assistance in the implementation of newly approved investment projects, including to overcome problems encountered.
- Overseas missions, local seminars, promotional literature and the dissemination of information (including on Government incentives and concessions);
- Advising Government on policies and procedures for the promotion of investment and exports;
- Management and administration of a Tax Free Zone; and
- Creating advance factories

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<sup>1</sup> African, Caribbean and Pacific Group of States

- **The function/structure of the organization, notably in terms of services to enterprises at three levels:**

- **Supply side to enhance the productive capacities of exporters**

FTIB organizes seminars/workshops to educate exporters or interested stakeholders on international standards, import requirements, quarantine procedures or other related issues that have been identified as Technical Barriers to Trade (TBT) and thus have hindered exporters' ability to consistently supply quality products.

- **At the business environment to reduce internal barriers to trade**

FTIB advises the State on trade and investment policies and thus has often been at the forefront of lobbying the Government for incentives to facilitate capacity-building.

- **At market entry to assist exporters to understand and meet international market requirements**

FTIB uses Fiji's posts abroad to collate information relevant to the type of product being exported. For example, an importing country's quarantine requirement for taro varies quite significantly from the same country's requirements and regulations on fish import. FTIB accesses useful tools such as Australia's import conditions database called ICON.

- **Strategic vision of the TPO over the next three years**

Priority areas for Fiji's National Export Strategy (NES) are based on the impact on economic growth, employment creation and on areas where Fiji has a comparative advantage. FTIB promotes 13 sectors outlined under the Strategy of which there are six Government top priorities: sugar, forestry, fisheries, agro-processing, tourism, ICT and audio-visual sectors.

- **Sectors which the organization is targeting?**

The six priority sectors are vigorously promoted by FTIB during overseas missions and to visiting inward investors.

- **What are the most significant gaps in service delivery that exporters have to contend with?**

Significant gaps still exist in the provision of efficient customs services, transport networks and document requirements. Obstacles to trade are Tariffs, quotas and distance from large markets which greatly increase the cost of goods or prevent trading altogether.

### **III. The Existing Relationship between NSBs and TPOs**

- **Current relationship of your organization with the counterpart NSB**

The FTIB comes the Ministry of Industry and Trade, together with the Department of Fair Trading and Consumer Affairs which operates the Fiji Trade Standards and Quality Control Office (FTSQCO, and the NSB), and also the Department of Weights & Measures. The FTIB's relationship with these departments is not maintained as

proactively. Almost all of Fiji's applied standards have been adopted from Australia and New Zealand, which are not necessarily appropriate to selling into the EU.

Other departments in other ministries that should be liaising with the FTIB and vice versa on standards, but are not include:

1. Forestry Department and national standards for forest certification,
2. Mineral Resources Department concerning FDI in the Mineral Sector
3. the Ministry of Labor and compliance with labour laws
4. Department of Environment and environmental regulations

Many times, information on standards and conformity assessment are not readily available for FTIB and this hinders FTIB in keeping upto date with current and evolving standards.

The FTIB also collaborates with various business bodies which work directly with exporters

- **principal constraints that the TPO faces in linking up with the NSB**
  1. Lack of capacity building and technical expertise in the other bodies to make information readily available to the FTIB and their customers.
  2. Weak institutional support structures for many of Fiji's standards organisations
  3. Slow preparation and dissemination of information on standardization and conformity assessment issues.
  4. Absence of an easily accessible centralized database.
  5. Lack of awareness workshops on standards and conformity assessments for exporters and other stakeholders

Overlap and lack of demarcation of responsibilities of the respective bodies

#### **IV. The Potential Future Relationship between NSBs and TPOs**

- **What should be done in order to overcome the current challenges**

Strengthen the institutions and raise awareness in both FTIB and FTSQCO to establish an effective working relationship. Reduce staff turnover with its associated loss of institutional memory.
- **In what areas is there the most potential for cooperation between the NSB and TPO?**

A joint publication and joint workshop by the NSB and TPO could inform exporters of requirements for different target markets, particularly where they vary from the international standard.
- **Value-added the TPO could offer to the counterpart NSB**

The FTIB could impart knowledge gained during foreign marketing missions, e.g specific requirements of importers.

- **mechanism to establish an effective cooperation and working relationship with the NSB and whether the relationship should be formal or informal**

A schedule of joint meetings of the two agencies which come under the same Ministry would be a start. This could ensure that whatever information FTIB provides to exporters and potential buyers is more topical. NSB might then proactively update their knowledge base of international standards

- **What are the implications in terms of getting the required:**

- **Endorsement (e.g. by the Ministry): and**
- **Resources (financial, human, and institutional).**

The endorsement by the Ministry would lend support to the efforts of the two bodies and would enhance credibility but the major restrictive factor would be resource constraints

## **V. Conclusion**

Trade liberalization is undoubtedly opening up market opportunities for developing countries, such as Fiji. However as the market opens up, competition becomes tougher and quality controls more stringent, with most developing countries facing difficulties in taking full advantage of the opportunities now available, due to financial constraints or restricted capabilities to meet international quality standards.

The challenge for developing countries is meeting standards and labelling requirements of developed countries and this means huge investment in certification procedures, testing of products etc.

Most developing countries lack competency in developing standards, and conformity assessment procedures. There is no initiative between Pacific Islands Countries (PIC) to adopt regional standards. This action by PIC would solve many of the capacity problems.

**Adapted from the paper submitted by  
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