

3.2.16 TOURISM

“A world-class tourism destination that increasingly adds value to the local economy”

Tourism is one of the leading sectors of the Fijian economy. It makes a major contribution to foreign exchange earnings and employment and has large beneficial multiplier effects in the economy. Visitor arrivals increased to an all-time high of 792,320 in 2016, with total tourism earnings of over \$1.6 billion. While Australia, New Zealand and the USA remain Fiji's key source markets, visitor arrivals from emerging markets like China and India are growing at significant rates.

Over the last few years, our accommodation services have been continually improving, with the number of rooms and beds increasing. Airline services have improved with increased fleet and capacity for Fiji Airways, new direct flights and increased frequency. With our pristine natural environment, top-class hospitality services, improved air connectivity, competitive Fijian dollar, effective marketing and cultural diversity and heritage, there is more potential to be realised. By 2021, tourism earnings are expected to increase to around \$2.2 billion.

The Fijian Tourism 2021 (Fijian Tourism Development Plan 2017-2021) sets out the following priority areas to achieve the goal of total earnings of \$2.2 billion:

- Driving demand for Fiji's tourism brand;
- Increasing the value of Fiji's tourism products;
- Facilitating and promoting domestic and foreign investment;
- Investing in tourism-related infrastructure;
- Strengthening linkages to the tourism industry;
- Ensuring continued sustainable development of the tourism industry;
- Building a conducive and updated legal framework;
- Enhancing Risk Management; and
- Measuring the performance of Fiji's tourism industry.

In the next 5 years, Fiji will expand its tourism industry to niche segments, such as sports tourism, cruise tourism, wedding and honeymoon tourism, hosting of conferences and entertainment events, wellness tourism, and adventure tourism. The Fijian Government will continue to bring international events such as rugby competitions, golf tournaments, sailing regattas and formal conferences and meetings to Fiji. This will not only attract visitors during off-peak seasons, but also promote Fiji in foreign markets that would otherwise require large marketing outlays.

The Fijian Government, in partnership with the private sector, is also exploring the possibility of developing large production studios, securing specialised equipment for hire by foreign crews, nurturing local acting and production talent and continuing to offer attractive tax rebates for production of films and television shows in Fiji. This will also promote Fiji as a tourism destination.

Apart from supporting large-scale hotel development and related facilities, micro, small and medium enterprises (MSMEs) in the tourism sector will continue to be supported. Other niche activities, such as dolphin and whale watching, village tours, river rafting and zip lining, snorkelling and boating, eco-tourism and promoting Fiji's cultural and heritage sites will support MSMEs and local communities. MSMEs will also be provided training, mentoring, incubation and other business development support services through the MSME Central Coordinating Agency.

Market linkages that enable the supply of local agricultural and fisheries produce to the tourism industry will be facilitated and developed. Manufacturing of high-end niche products such as natural body products, exotic herbs and spices, local confectionaries, local fruit juices, handicrafts and packed organic goods will be promoted. Retail-sector development that provides unique shopping experiences and promotes the Fijian Made-Buy Fijian Campaign will also continue to be supported.

Urban centres will be developed with urban gardens, parks, seaside walkways, cultural and heritage sculptures, art installations and museums to entice visitors to explore urban and suburban areas. This will particularly benefit cruise tourism, which has been flourishing in recent years. To further support this form of tourism, our wharves and jetties will be modernised and upgraded.

Government will continue to provide a marketing grant to Tourism Fiji. In order to capitalise on its position as the transportation hub, Fiji will participate in initiatives to market the Pacific as a tourism destination that would benefit Fiji and the region.

In addition, the Tourism Satellite Accounts (TSA) will be prepared by the Fijian Bureau of Statistics on a two-year interval to accurately measure the economic contribution of the tourism industry and at the same time identify areas of strategic intervention where the industry can expand further.



Goal, Policies and Strategies

Goal: A World-class tourism destination that increasingly adds value to the local economy.	
POLICIES	STRATEGIES
Raise quality of services by developing modern infrastructure and utilities for tourism while protecting the environment.	<ul style="list-style-type: none"> • Upgrade and extend road networks with particular focus on upgrading linking and feeder roads. This is covered in Chapter 3.2.1 (Modernising Land Transport) • Revisit plans to build more dams to improve water supply in tourism hotspots. This is covered in Chapter 3.1.1 (Water and Sanitation) • Develop electrical grids on outer islands with active tourism facilities. This is covered in Chapter 3.1.2 (Energy) • Upgrade sewerage treatment systems in tourism hotspots. This is covered in Chapter 3.1.1 (Water and Sanitation) • Modernise and expand points of entry into Fiji – airports and seaports. • Modernise urban centres and promote innovative town and country planning. • Improve communication, mobile and internet coverage to all parts of Fiji. • Develop unique methods of land transport for tourism – i.e. existing railway lines, river cruises, caravans, quad biking.
Improve human resources capacity and quality of hospitality services.	<ul style="list-style-type: none"> • Establish industry quality and accreditation standards. • Support micro, small and medium scale tourism businesses through finance and capacity building initiatives. • Align training programmes with industry needs and focus on developing soft skills in tandem with management skills. • Promote and support Mandarin and other Asian language proficiency in the tourism sector to support growth in the Asian markets. • Set up hospitality training centres on outer islands experiencing consistent tourism activity. • Provide international scholarships to develop world-class culinary and management skills amongst locals.
Increase visitor mobility and maintain consistency in visitor arrivals.	<ul style="list-style-type: none"> • Increase international flight capacity to and from all major tourism source and emerging markets. • Initiate medium-term code sharing with prominent foreign airlines, particularly the northern hemisphere countries. • Initiate viability studies of untapped international destinations. • Upgrade domestic air and sea travel services to increase intra-country connectivity at affordable prices. • Develop seaports and ports of call in Vanua Levu and outer islands to stimulate nautical tourism.
Expand international marketing programmes and continue to build the image of Fiji tourism.	<ul style="list-style-type: none"> • Aggressive promotion of destination Fiji in emerging tourist markets. • Incorporate traditional culture and art into developing “Brand Fiji”. • Promote high growth niche markets for specialised tourism to address market seasonality. • Incorporate and market sustainable tourism packages with luxury tourism. • Develop multiplatform visitor guides that are demarcated by region and province. • Develop the Audio-Visual industry to attract foreign productions and unique marketing opportunities.
Develop public private partnerships.	<ul style="list-style-type: none"> • Foster partnerships with tourism stakeholders to develop and maintain tourism infrastructure while taking into account environmental, social and cultural concerns. • Incentivise PPP with innovative marketing and tax incentive packages for product diversification. • Provide targeted incentives to potential, new and upcoming tourism operators.
Formulate accommodative policies and regulations to stimulate tourism growth.	<ul style="list-style-type: none"> • Increase institutional capacity and resources of tourism facilitating agencies, including a sustainable funding formula for Tourism Fiji. • Increase crackdown on illegal activities that can be associated with tourism (i.e. drugs, prostitution and human trafficking). • Review immigration laws and procedures to accommodate extended stays by visitors. • Prepare Tourism Satellite Accounts every two years.
Identify tourism products for further development and foster sector innovation for increased value addition.	<ul style="list-style-type: none"> • Aggressively promote value addition in all tourism services and market segments. • Mainstream culture and environment into existing and new tourism packages. • Sector analysis of potential areas for tourism development. • Educate communities about tourism and ways to make sustainable use of natural resources for tourism purposes. • Assist villages and rural communities to develop tourism products and services unique to their culture and surroundings. • Stimulate fashion industry development to complement Fiji’s unique retail industry for visitors. • Support MSMEs via establishment of online booking systems and focused assistance for upgrading and retrofitting. • Develop quality locally made products that can be marketed to international visitors through the Fijian Made – Buy Fijian Campaign.
Increase value addition by developing market linkages between tourism and other local sectors.	<ul style="list-style-type: none"> • Develop agricultural capacity to meet tourism demands. • Develop the manufacturing sector to supply high quality locally made products to tourism markets. • Improve public transportation services in and around tourism hotspots. • Promote substitution of imported products in favour of local products in the tourism market. • Increase business hours in tourism hotspots and develop high-end retail outlets.

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POLICIES	STRATEGIES
Mainstream sustainable tourism operations.	<ul style="list-style-type: none"> • Mandate sustainable use of water and energy throughout the tourism sector. • Strengthen enforcement of the Environment Management Act (EMA) and Environment Impact Assessments (EIA). • Enforce building codes that promote climate resilient infrastructure and energy efficiency. • Strengthen conservation of biodiversity for sustainable tourism. • Enhance waste management in tourism and promote innovative recycling. • Work with the insurance industry to develop insurance packages for climate related adversities.



Programmes and Projects

PROGRAMME	ANNUAL TARGET					TOTAL OUTPUT EXPECTED	LEAD AGENCIES
	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022		
Transportation Link Development							
Grow Fiji Airways' Passenger Capacity (000s)	2,157	2,337	2,578	2,843	3,105	3,105,000 passenger capacity by 2021	Fiji Airways
Establishment of New Flight Routes	3 new routes (China, Japan and Brazil)					3 new Air Service Agreements.	Fiji Airways
Monitoring and Evaluation							
International Visitors Survey	1	1	1	1	1	5 Annual IVS Reports	MITT
Hotel Data Collection System)		10%	30%	50%	100%	Implementation in all accommodation properties	MITT
Tourism Satellite Account (TSA)		1		1		2 biennial TSA Reports	FBoS
Sustainable Development Programmes							
Industry Sustainability Audit			1			Sustainability report on Tourism Sector	MoEn
Market Linkage Developments							
MSME Development Assistance	6	8	10	14		38 MSMEs assisted	MITT
MSME Online Capacity Development Assistance		10	30	40		80 MSMEs Assisted	MITT
Tourism Marketing Strategy							
Government Marketing Expenditure (Total Countries Advertised)	9	12	16	18	22	Increase marketing reach to 22 markets by 2021	Tourism Fiji
New International Sporting Event Sponsorships	1		1	1	1	4 new international sports events	MYS, MITT
Fijian Tourism Expo	1	1	1	1	1	5 Annual Tourism Expos	Tourism Fiji

MoEn: Ministry of Environment; FBoS: Fiji Bureau of Statistics; MITT: Ministry of Industry, Trade & Tourism; MYS: Ministry of Youth & Sports; MSME: Micro Small and Medium Enterprises.

Key Performance Indicators

INDICATOR	2016	2017	2018	2019	2020	2021
Tourism earnings as % of Nominal GDP (SDG 8.9)	16.3					20
Tourism foreign earnings (\$)	\$1.6b					\$2.2b
Fiji Airways passenger capacity (000s)	1,972	2,157	2,337	2,578	2,843	3,105
Number of hotel rooms available	10,894					13,576
Hotel receipts	\$893m					\$1.2b
Room occupancy rate (%)	51.9					70
Average length of stay per year (Days)	9.5					10
Direct tourism employment (SDG 8.9)	12,538					16,882
Total tourism employment (SDG 8.9)	108,000 ³⁸					127,479
Number of outlets providing tourism management and hospitality training	7 ³⁹					15
Number of international cruise ships to Fiji (No. of port calls made around Fiji)	115 ⁴⁰					150
Number of Tourism Expos held	1	1	1	1	1	1

38. World Travel and Tourism Council, 2016, Travel and Tourism Economic Impact Analysis - Fiji, London, United Kingdom.

39. Fiji Higher Education Commission

40. South Pacific Tourism Organisation, Pacific Cruise Market Research and Intelligence Project

3.2.17 ENHANCING INTERNATIONAL TRADE AND FOREIGN RELATIONS

“Expanding trade base and economic engagement in the global community”

INTERNATIONAL TRADE

Fiji is an open economy, where international trade plays an important role. In this regard, Fiji is a member of the World Trade Organisation (WTO) and party to a number of trade agreements such as Pacific Islands Countries Trade Agreement (PICTA), Melanesian Spearhead Group (MSG) Trade Agreement, South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA) and Interim Economic Partnership Agreement (IEPA). Upon the expiration of the South Pacific Regional Trade and Economic Cooperation Agreement-Textiles, Clothing and Footwear Scheme (SPARTECA-TCF) in 2014, Fiji qualified for trade benefits under Australia’s Developing Country (DC) Preferences Scheme.

Under the WTO, Fiji has recently ratified the WTO Trade Facilitation Agreement, which is expected to increase efficiency and effectiveness of trade facilitation agencies in Fiji.

Fiji will continue to engage with Pacific Agreement

on Closer Economic Relations (PACER) Plus parties and push for commencement of negotiation on the Comprehensive Economic Partnership Agreement (CEPA) with the European Union, which has been suspended for 3 years. Fiji continues its policy to seek beneficial trade and political relationships with new and non-traditional partners and is engaged in discussions with China on a bilateral trade arrangement.

The Interim Economic Partnership Agreement between Fiji/Papua New Guinea and the European Union (EU) will be mirrored with the United Kingdom, in light of Britain’s exit from the EU. Furthermore, discussions will commence on improving the provisions of IEPA for better market access and conditions.

The Fijian Trade Policy Framework guides Fiji’s engagement in future trade agreements to capitalise on Fiji’s position as the hub of the Pacific. The Trade Policy Framework determines how to connect all the dots and addresses our production capacity, and supply-side constraints. It is about all stakeholders working together towards the ultimate goal of increasing exports for Fijian made products and services.

Export development will be supported through raising competitiveness, diversification and value addition under the National Export Strategy (NES) in priority sectors. With the increase in flight connectivity and cargo traffic,