



# **Reinvigorating Private Sector Investment**

Preliminary findings from a review updating ADB's  
Private Sector Assessment for Fiji

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ADB

# Asian Development Bank

- **Multilateral Development Bank**
  - 67 members
  - Various instruments
  - Private sector lending tripled, and will rise
- **ADB and Private Sector Support**
  - promote an enabling environment for the development of the private sector.
  - improve efficiency and attract domestic and foreign investments.
  - shares and mitigates risk for, private sector transactions.

# Fiji needs a re-energized private sector to generate ...



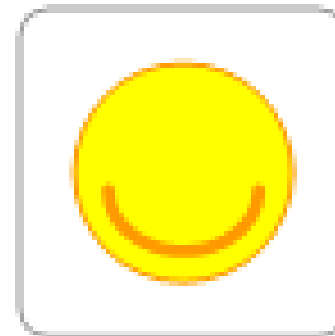
**Higher GDP  
Growth**



**More  
Investment**



**More Job  
Creation**



**Better Human  
Development  
Indicators**

# Fiji's performance since 2006

- GDP growth sluggish – well below 5% target
- Private sector investment at its lowest level since independence
- Large informal economy persists with more people joining the labor pool each year

# Productive Investment Climate

1. Stable and supportive macroeconomic conditions
2. Simple, transparent and efficient system governing start up and operation of business
3. Quality and competitively priced infrastructure services

# Addressing Challenges

- **1. Reduce Policy Uncertainty**
- **2. Reduce State role in the economy**
- **3. Allow prices to play their proper role in the economy**

# Addressing Challenges

- **4. Create a fairer more equitable tax regime**
- **5. Streamline regulatory processes**
- **6. Remove constraints to foreign investment**

# Options for consideration

1. Slow down & improve consultation – “Competitive partnership”
2. Implement planned SOE reforms
3. Eliminate use of price controls in areas where competition exists
4. Reducing and simplifying investment incentives
5. Streamline
  - Review of Companies Act
  - Online integrated registration/archive filing
  - Review the business licensing regime
6. Removing constraints to foreign investment
  - Reduce minimum cash investment requirements
  - Relax exchange controls
  - Introduce a more flexible exchange rate regime



# For more information

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