



STATE OF THE FIJIAN ECONOMY DIALOGUE 2026

Understanding the Reality.
Shaping Fiji's Future.

Proceedings Report



GRAND PACIFIC HOTEL
SUVA, FIJI



9 – 10 JUNE 2026

Organised by



Dialogue Fiji

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INTRODUCTION

The State of the Fijian Economy Dialogue 2026 was held at the Grand Pacific Hotel, Suva, on 9-10 June 2026. Organised by Dialogue Fiji with support from Brot für die Welt, the two-day national dialogue brought together government officials, political leaders, economists, development partners, private sector representatives, academics, civil society organisations, labour representatives, media practitioners and citizens to examine the state of Fiji's economy and discuss the policy choices confronting the country.

The dialogue was convened at a particularly important moment for Fiji. While the country has experienced a strong recovery from the COVID-19 pandemic, concerns have continued to emerge regarding rising living costs, public debt, fiscal sustainability, labour shortages, outward migration, infrastructure deficits and growing global economic uncertainty. Recent assessments by the International Monetary Fund, World Bank and Government of Fiji have also highlighted a number of emerging risks, including slower economic growth, inflationary pressures, narrowing fiscal space and persistent structural constraints.



Against this backdrop, the dialogue sought to provide an open and inclusive platform for evidence-based discussion on Fiji's economic realities. The event was designed to move beyond political rhetoric and encourage frank engagement with the challenges facing households, businesses and policymakers. Participants were encouraged to critically examine economic trends, debate competing policy perspectives and identify practical solutions that could contribute to Fiji's long-term prosperity and resilience.

The programme featured a keynote address by the International Monetary Fund's Regional Representative for Pacific Islands, three high-level panel discussions, interactive audience question-and-answer sessions and facilitated breakout group dialogues. Discussions focused on five broad themes: Fiji's macroeconomic reality check and fiscal sustainability; private sector growth and investment confidence; labour mobility and workforce challenges; national development priorities; and practical policy responses to cost-of-living pressures and long-term economic transformation.

A distinguishing feature of the dialogue was the diversity of perspectives

represented. Panellists included senior government officials, opposition politicians, former ministers, economists, financial sector leaders, academics, development partners, civil society leaders and private sector representatives. While views often differed, there was broad agreement on the need for fiscal consolidation, stronger productivity growth, improved public sector efficiency, improved government expenditure mix, increased investment in infrastructure and human capital, and policies capable of strengthening economic resilience.

The dialogue attracted significant public interest. Registrations exceeded venue capacity, with participants representing a wide cross-section of Fijian society. Proceedings were livestreamed nationally through Dialogue Fiji's digital platforms, enabling thousands of additional viewers to follow discussions in real time. The event also received extensive media coverage and generated substantial public discussion on economic policy issues.

Importantly, the dialogue was not intended to produce consensus on every issue. Rather, it sought to facilitate informed debate, expose participants to differing perspectives and generate practical recommendations grounded in evidence and experience. Through the panel discussions, audience engagement and breakout group deliberations, participants identified a range of policy recommendations relating to fiscal management, cost-of-living pressures, private sector development, labour market reform, infrastructure investment, social protection and governance.

This Proceedings Report provides a comprehensive record of the dialogue. It captures the major presentations, key arguments advanced by panellists, areas of agreement and disagreement, audience interventions, and the recommendations emerging from both the panel discussions and breakout group sessions. It is intended to contribute to ongoing national discussions on economic policy and serve as a resource for policymakers, researchers, development partners, civil society organisations and citizens interested in Fiji's economic future.

The dialogue demonstrated that while opinions may differ on the causes of Fiji's economic challenges and the best path forward, there remains a strong appetite for informed, constructive and evidence-based national conversations on the country's future. The discussions reinforced the importance of continued engagement between government, the private sector, civil society and citizens in shaping policies that promote sustainable growth, economic resilience and improved living standards for all Fijians.



DAY 1 – TUESDAY 9 JUNE, 2026



Left-Right: Dialogue Fiji Board Chairman, Mr. Nemani Buresova, Regional Representative for Pacific Islands – International Monetary Fund (IMF), Dr. Giovanni Ganelli, and Executive Director of Dialogue Fiji, Mr. Nilesh Lal

Welcome Address- Mr. Nilesh Lal, Executive Director, Dialogue Fiji

Mr. Lal welcomed all the participants, speakers and stakeholders to the two-day *State of the Fijian Economy Dialogue 2026*, describing it as one of the most important national conversations Fiji can have at this point in time.

He emphasized the essence of an economy, especially for a developing state like Fiji. The economy determines whether jobs are created or lost; whether businesses expand or close; whether families can afford food, housing, transport, electricity, healthcare and education and whether young people see a future in their country or seek opportunities elsewhere. Essentially, the economy determines the quality of life of every citizen.

Mr. Lal also stressed that when economies perform well, countries prosper, and when the economies perform poorly, societies suffer. Its implications lead to increasing poverty, widening inequality, struggling businesses, constrained fiscal space, emerging social tensions with subdued development outcomes. Hence, he emphasized that a country's economy is too important to ignore.

According to Mr. Lal, considerable time have been spent discussing politics, constitutional reform, governance issues and social controversies, which has diverted attention from focusing on emerging major economic challenges. The economic assessments by the Government and the International Monetary Fund vindicate these warning bells.

His key messages from the recently released Pre-Election Economic and Fiscal Update include the following:

- Growth prospects have softened and the economy now faces “heightened uncertainty”

- Consumer spending is weakening, business confidence has softened, labour shortages remain severe with inflationary pressures intensifying.
- Year end inflation now projected to exceed 6 percent

Public debt is projected to reach approximately \$11.4 billion which accounts for 81 percent of GDP. Higher debt levels constraint fiscal policy space and the State's ability to respond to future shocks.



Executive Director of Dialogue Fiji, Mr. Nilesh Lal, delivering his welcome remarks

Furthermore, the following are the main takeaways from the IMF's 2026 Article IV Consultation:

- Fiji remains vulnerable to external shocks and natural disasters, while "elevated public debt, widening external imbalances and persistent structural bottlenecks continue to constrain policy space and weigh on living standards".
- Progress in reducing fiscal deficits was reversed in the FY2025-26 Budget.
- Public debt will rise to 82% of GDP with current account deficit widening substantially and foreign exchange reserves coming under increasing pressure.
- Infrastructure gaps, labour shortages linked to outward migration, governance challenges and implementation constraints continue to weigh on growth prospects.

Mr. Lal pointed to real pressures being experienced by real people and that is why families are struggling with rising cost of living with businesses struggling and skilled workers leaving our shores.

He also emphasized that the purpose of this dialogue is not to celebrate, defend or attack any government but to have an honest conversation and confront the uncomfortable truths. That is the hallmark of a mature society. Ignoring economic problems does not make them disappear as they deteriorate over time. Therefore, it is important to have difficult conversations and critically examine the state of the Fijian economy. That is why Dialogue Fiji convened this forum.

The State of the Fijian Economy Dialogue will endeavour to generate facts and evidence-based discussions, robust debates, competing perspectives and practical policy solutions. The idea is to make a meaningful contribution to Fiji's future.

Mr. Lal expressed his sincere gratitude to the speakers, moderators, organizing team and all participants for their contribution towards this event. He also acknowledged Bread for the World for their continued support and for making this important national dialogue possible.

Keynote Address – Dr. Giovanni Ganelli, Regional Representative for Pacific Islands, International Monetary Fund



IMF Regional Representative for Pacific Islands, Dr. Giovanni Ganelli, delivering his Keynote address

Dr. Ganelli thanked Dialogue Fiji for the opportunity to discuss the Fijian Economy. He expressed that the invitation has been very timely, considering that the report on the annual consultations between Fiji and the International Monetary Fund, namely the Article IV Report, has just been published. Dr. Ganelli highlighted the mandate of the IMF which is to promote macroeconomic stability through policy advice, capacity building and providing financial assistance.

The Article IV Report fulfills the important mandate of providing policy advice to support macroeconomic stability in member countries. It covers recent economic developments, the macroeconomic outlook and risks to this outlook, as well as the IMF's recommendations.

Dr. Ganelli summarised the key findings as follows:

- In recent years, Fiji has been recovering well from the pandemic. Economic activity remained resilient in 2025, supported by tourism, external demand and an expansionary fiscal policy.
- For the calendar year 2026, the IMF report projects growth to moderate to about 2.4%, compared to 3.2% in the previous year, while inflation is expected to climb from close to zero to 3.8%.

- Those projections reflect softer tourism demand, increased global uncertainty and the impact of higher oil prices due to the conflict in the Middle East.
- The 2026 projections also incorporate the effects of the policies taken by the government to mitigate the impact of the oil shock through the public budget.

Dr. Ganelli stressed that the numbers are based on the “reference” scenario in the latest IMF World Economic Outlook which was published in April. This “reference” scenario was based on the assumption of a relatively short-lived conflict in the Middle East, with global oil prices remaining on average close to \$80 per barrel in 2026, and the global economic growth pegged at 3%. The reference scenario also included that “second round” effects on inflation would remain contained.

The Regional Representative highlighted that one of the main risks of the outlook is that of higher oil prices compared to the “reference” scenario. Furthermore, the reference scenario is still valid, according to Dr. Ganelli, considering that the fuel price increases over the past two months have been considerable and higher than what was assumed in the reference scenario.

Even though the oil prices are now below the levels seen over the past two months, it now looks likely to remain high and for far longer than assumed in the reference scenario. As a consequence, global growth could be lower than 3% this year, although there is a lot of uncertainty and the global outlook depends on many factors which are evolving. Hence, the IMF will produce a short update on its perceptions on the global economy in late July.

According to Dr. Ganelli, if the global growth ends up lower than in the reference scenario, then it would negatively affect the Pacific region with implications on trade, tourism and cost of living. Therefore, growth in Fiji in 2026 could end up being lower than 2.4% with inflation soaring to 3.8%.

The IMF report also deliberates on the domestic risk arising from the fiscal path. The recent fiscal strategy in Fiji has implied a higher public debt which could result in higher financing costs. This year’s budget also indicates reduced capital spending as a ratio to GDP which does not help growth prospects. Other risks related to structural and supply-side constraints include infrastructure gaps, labour shortages, outward migration and vulnerability to natural disasters, according to the report.

Another important policy recommendation is that fiscal policy will need to strike a balance between measures to ease cost of living pressures and rebuilding fiscal space to deal with future shocks. Furthermore, the composition and quality of public spending could also be improved with the need to prioritise the modernisation of roads, utilities and public services.

The IMF also perceives that the fiscal response to the oil shock should be well-targeted and budget neutral and fiscal adjustment in the medium term should be growth-friendly, shifting spending towards public investment. Dr. Ganelli emphasized that establishing a fully operational Medium-Term Fiscal Framework and adopting a quantitative fiscal anchor, such as a medium-term debt target, would help support fiscal consolidation.

In terms of monetary policy, the IMF report also noted that the exchange rate peg remains the central nominal anchor and has played a vital role in supporting macroeconomic and financial stability. However, the persistent high liquidity, with bank liquidity well above transactional and precautionary needs, has weakened the policy rate transmission. The report also stressed that the financial sector is sound but monitoring potential weaknesses, such as rapidly growing consumer credit, is essential. Improving the Anti Money Laundering framework is also a key priority.

In terms of structural and medium-term policies, the report notes the following:

- Strong and durable medium-term growth is needed to achieve the Fijian Government's objective of transitioning to high-income status by 2050.
- Importance of policies that raise and preserve effective growth, including higher and efficient investment.
- Scaling up investment, especially in climate resilient infrastructure, could help mitigate disaster-related output losses.
- Complementary structural reforms to strengthen productivity, labour market outcomes and skills, human capital and the business environment would further support convergence towards high income status.

Dr. Ganelli outlined that implementing the policy recommendations would help Fiji mitigate the oil shock while maintaining fiscal and macroeconomic stability, and building a more resilient and inclusive economy. In addition, improving fiscal and monetary frameworks, increasing the quality of spending, scaling up climate investment and other structural reforms require technical assistance and capacity building efforts.

He also stated that helping member countries build capacity is another important function of the IMF. Dr. Ganelli stated that the IMF, together with Pacific Financial Technical Assistance Centre, remains committed to working together with the Fijian Government in ensuring Fiji's macroeconomic stability and prosperity.

Vote of Thanks- Mr. Nemani Buresova, Board Chairman, Dialogue Fiji



Board Chairman of Dialogue Fiji, Mr. Nemani Buresova, delivering his Vote of Thanks

Mr. Buresova delivered the Vote of Thanks and extended his sincere appreciation to the Keynote Speaker, Dr. Giovanni Ganelli of the International Monetary Fund, for his insights into the global and regional economic landscape and reflections on Fiji's economic outlook.

He also expressed his gratitude to all the Panellists and Moderators for sharing their expertise, experiences and perspectives and to the participants for their active engagement and thoughtful contributions.

The Board Chairman specifically thanked the Dialogue Fiji team for working tirelessly behind the scenes to make this Dialogue possible. He also acknowledged the Bread for the World as a valued donor and partner and for their continued support of

Dialogue Fiji. Mr. Buresova outlined that the theme of this *Dialogue, Understanding the Reality: Shaping Fiji's Future*, endeavours to deepen our standing of the realities confronting Fiji and ensuring that the ideas, recommendations and reflections emerging from this Dialogue continue to inform discussions, decisions and actions in the months and years ahead.

In closing, Mr. Buresova reiterated that understanding current economic realities is an essential prerequisite for building a stronger future. He encouraged all stakeholders to continue engaging constructively on the issues raised during the dialogue and emphasised that meaningful dialogue must ultimately translate into informed decisions, effective policies and practical action.

PANEL DISCUSSION 1

MACROECONOMIC REALITY CHECK: GROWTH, DEBT AND ECONOMIC RESILIENCE

Moderator: Ms. Finau Soqo, Pacific Islands Forum Secretariat

Panel Discussion 1 examined the state of Fiji's economy through the lenses of growth, public debt, fiscal sustainability and long-term economic resilience. The discussion brought together perspectives from the World Bank, Government, academia, civil society and the private sector.

The session sought to examine the following three (3) central questions:

- What is the true state of the Fijian economy and what are the major risks and opportunities facing the country?
- How sustainable are Fiji's fiscal and debt positions?
- What reforms are required to strengthen economic resilience and improve living standards?



The Moderator, Ms. Finau Soqo (third right) with the Panellists during the session

Dr. Naomi Mathenge – Senior Economist, World Bank Group

Growth Through Productivity and People

Dr. Mathenge presented an assessment of Fiji's economic trajectory based on the World Bank's Fiji Growth and Jobs Report. She noted that Fiji's economy had demonstrated considerable resilience following the COVID-19 pandemic, driven largely by the rapid recovery of tourism.

However, she cautioned that recovery should not be confused with long-term prosperity. While Fiji experienced strong rebound growth immediately after reopening, average growth since the pandemic has settled at below 3.5 percent and is projected to remain around that level in coming years. Therefore, Fiji's economy faces the challenge of moving beyond recovery towards sustained, productivity-driven growth.



Senior Economist at The World Bank, Dr, Naomi Mathenge, presenting her assessment of Fiji's economic trajectory

Tourism continues to underpin Fiji's economy, accounting directly and indirectly for approximately 40% of economic activity. While this dependence creates vulnerability to external shocks, it also presents opportunities for attracting investment, encouraging repeat visitation and developing higher-value economic activities linked to tourism. Dr. Mathenge argued that Fiji must use tourism as a platform for diversification rather than allowing it to become a structural dependency.

A major concern raised during her presentation was that economic growth has not translated into sufficient employment opportunities. Many workers remain concentrated in low-productivity agriculture and lower-value service sector activities. Consequently, positive macroeconomic indicators often fail to reflect the realities experienced by ordinary households.

She highlighted significant untapped labour potential within the economy. Female labour force participation remains around 40 percent compared with almost 80 percent for men. This persistent gap reflects structural barriers that continue to

prevent women from participating fully in economic activity. In addition, approximately 19 percent of Fiji's youth are not in education, employment or training (NEET). While this represents a significant social and economic challenge, it also presents an opportunity. If successfully integrated into productive employment, Fiji's youthful population could become a major driver of future growth.

Dr. Mathenge argued that Fiji requires a jobs-led growth strategy centred on labour demand, human capital development and productivity enhancement. Such a strategy would focus on creating employment opportunities while simultaneously improving worker skills and labour market functioning.

Another key concern was Fiji's exposure to repeated shocks. The country has experienced Tropical Cyclone Winston, the COVID-19 pandemic, global inflationary pressures, geopolitical instability and rising fuel prices in rapid succession. Each shock reduces government revenues while simultaneously increasing expenditure demands. As a result, Fiji has had limited opportunity to rebuild fiscal buffers before facing the next crisis.

This has created difficult trade-offs for policymakers. Government has recently redirected some resources from capital expenditure towards social protection measures to cushion households from rising living costs. While such interventions may be necessary in the short term, Dr. Mathenge cautioned that reducing investment spending today may undermine growth tomorrow.

Looking further ahead, she linked these concerns to Fiji's aspiration of achieving high-income status by 2050. Based on current trends, Dr. Mathenge argued that Fiji is unlikely to reach this target. Current income per capita remains around US\$5,680, while the high-income threshold exceeds US\$13,900. Achieving this objective would require long-term average growth of approximately 5.7 percent per year, substantially higher than current projections.

In order to achieve this transformation, Dr. Mathenge recommended policies aimed at enabling businesses, promoting competition, improving skills, increasing foreign direct investment, supporting women's economic participation, addressing non-communicable diseases and strengthening climate resilience. Her key message was that Fiji's future prosperity depends on productivity and people rather than tourism alone.



Dr. Naomo Mathenge makes a point during the panel discussion

Mr. Nilesh Lal – Executive Director, Dialogue Fiji

Public Debt, Fiscal Sustainability and the Debt-to-GDP Illusion

Mr. Lal's presentation focused on public debt, fiscal sustainability and the "debt-to-GDP illusion". He argued that much of the public discussion surrounding Fiji's fiscal position has focused on the declining debt-to-GDP ratio. While this ratio has improved from pandemic highs, he contended that the apparent improvement creates a misleading impression of fiscal recovery.



Executive Director of Dialogue Fiji, Mr. Nilesh Lal, delivering his presentation during the panel discussion

Mr. Lal contrasted the official narrative with the underlying fiscal data. The official narrative highlights falling debt-to-GDP ratios, strong economic recovery, increased revenues and ongoing fiscal consolidation. However, he pointed out that the data reveals a different reality: public debt continues to rise in absolute terms, deficits remain substantial, capital expenditure is declining, operating surpluses have largely disappeared and fiscal space is becoming increasingly constrained.

Using FY2019-20 as a pre-pandemic benchmark, Mr. Lal compared Fiji's fiscal position before COVID-19 with projected outcomes for FY2025-26.

During this period:

- Government revenue increased from \$2.72 billion to \$3.95 billion.
- Expenditure increased from \$3.35 billion to \$4.83 billion.
- Public debt rose from \$5.7 billion to \$11.7 billion.
- The budget deficit increased from \$636 million to \$886 million.
- Capital expenditure declined from \$988 million to \$927 million.
- Capital expenditure's share of total spending fell from approximately 33 percent to 19 percent.
- Operating surplus declined from \$133 million to just \$28 million.

He argued that despite economic recovery, Fiji's fiscal structure has deteriorated relative to pre-pandemic conditions.

Mr. Lal emphasized that public debt stood at approximately \$9.13 billion in 2022 and is forecast to reach around \$11.37 billion by 2026, accounting for an increase of more than \$2.2 billion during a period of economic recovery.

The decline in the debt-to-GDP ratio, he argued, is primarily explained by the rapid

expansion of nominal GDP following COVID-19. GDP increased from approximately \$10.07 billion in FY2021-22 to \$14.66 billion in FY2025-26, a rise of roughly 46 percent. Because GDP expanded faster than debt, the ratio improved despite debt continuing to increase. He described this as the “denominator effect”.

Mr. Lal also highlighted the extraordinary recovery in government revenue. Revenue increased from approximately \$2.19 billion in FY2021-22 to almost \$3.95 billion in FY2025-26, an increase of roughly 80 percent. This recovery was driven by tourism, inflation and significant tax increases, including the rise in VAT from 9% to 15%. Despite this substantial increase in revenue, debt and deficits continued to grow.

A further concern raised by Mr. Lal was the changing composition of public expenditure. Capital expenditure has steadily declined as a share of total spending while operating expenditure has increased. In FY2015-16, capital expenditure accounted for approximately 38 percent of total expenditure. By FY2025-26 this had fallen to around 19 percent. Mr. Lal argued that borrowing should finance productive assets and future growth rather than recurrent consumption.

Mr. Lal concluded that Fiji is increasingly borrowing more while investing less. Therefore, this is leaving future generations with higher debt burdens but fewer productive assets. His central contention was that the debt-to-GDP ratio should not be used in isolation when assessing fiscal sustainability.

Ms. Poonam Singh – Acting Head of Strategic Planning, Ministry of Strategic Planning, National Development and Statistics, Fijian Government

Government Perspective on Growth and Fiscal Sustainability

Ms. Singh, while presenting the Government’s perspective, acknowledged that Fiji is transitioning from a period of strong post-pandemic recovery to one of slower growth and heightened uncertainty.

She noted that recent economic updates, including the Pre-Election Economic and Fiscal Update, indicate that growth projections have been revised downward. Economic growth for 2026 was reduced to 1.5 percent from earlier forecasts of approximately 3.2 percent. Growth is expected to recover modestly to around 2.5 percent in 2027 and 3 percent in 2028. Therefore, Fiji remains on a positive growth path, but at a considerably slower pace than previously anticipated.

Mrs. Singh emphasized that Fiji operates in a highly uncertain global environment characterized by geopolitical tensions, energy price volatility, trade disruptions and slowing global demand. These external pressures are beyond Fiji’s control and increasingly affect domestic economic performance.

She also highlighted signs of weakening tourism demand, softer consumer spending and rising inflation. Visitor arrival growth has been revised downward and inflation is expected to exceed 6 percent. Rising fuel prices are expected to place additional pressure on households and businesses.

Despite these challenges, Ms. Singh argued that Government has made significant progress in restoring fiscal stability since the pandemic. The budget deficit has fallen from 12.3 percent of GDP in FY2021-22 to approximately 2.5 percent in FY2024-25, while debt has declined from around 92 percent of GDP to approximately 79 percent. Nevertheless, expenditure pressures remain substantial, particularly in relation to public sector wages, infrastructure, social services and debt servicing.

A recurring theme in Ms. Singh's presentation was the quality of expenditure. She argued that the key question is not simply how much government spends but what outcomes those expenditures produce. Public spending must deliver measurable improvements in growth, productivity and service delivery.



Acting Head of Strategic Planning, Ms Poonam Singh, presenting her remarks

Drawing on IMF recommendations, Ms. Singh emphasised the importance of rebuilding fiscal buffers, gradually reducing debt, prioritizing capital investment and supporting private sector growth. The Government's strategy rests on three pillars:

- Improving the efficiency and effectiveness of public spending.
- Creating conditions for stronger private sector-led growth.
- Rebuilding fiscal buffers while maintaining a credible path towards debt reduction.

Ms. Singh concluded that Fiji's challenge is not merely sustaining growth, but ensuring that growth remains productive, inclusive and resilient.

Dr. Mahendra Reddy – Senior Economist, The University of the South Pacific

Dr. Reddy presented a detailed assessment of Fiji's growth trajectory, fiscal sustainability and public expenditure patterns. He argued that while Fiji has successfully emerged from the COVID-19 crisis, the economy now faces a more fundamental challenge: achieving sustained high-quality growth capable of improving living standards and reducing fiscal vulnerabilities.

Dr. Reddy reviewed Fiji's economic growth performance over the past decade based on the following indicators:

- Prior to the pandemic, Fiji recorded growth rates of 4.5% in 2015
- 2.4% in 2016
- 5.4% in 2017
- 3.8% in 2018
- Growth slowed to negative 0.6% in 2019
- Economy contracted sharply by 17.2% in 2020 and a further 4.3% in 2021 as a result of the COVID-19 pandemic

Following the border reopening, Fiji experienced a strong recovery with growth reaching 17.7% in 2022 and 9.4% in 2023. However, Dr. Reddy stressed that these figures reflected recovery from an extremely low base rather than a structural improvement in economic performance. Growth subsequently moderated to around 3.5 percent in 2024 and is forecast to remain around 3.4% in 2025. According to Dr. Reddy, the key policy question is whether growth rates of 3 to 3.5% are sufficient to achieve Fiji's long-term aspirations. He argued that they are not.



Senior Economist Dr. Mahendra Reddy makes a point during his presentation

A major focus of Dr. Reddy's presentation was the relationship between economic growth and fiscal sustainability. He observed that Fiji's nominal GDP increased from approximately \$8.7 billion in 2015 to around \$14 billion in recent years. However, public debt increased much more rapidly over the same period. Public debt rose from approximately \$4.1 billion in 2015 to almost \$11 billion by 2025.

While acknowledging that debt-to-GDP ratios have improved from pandemic highs, Dr. Reddy argued that fiscal sustainability cannot be assessed solely through that metric. He pointed out that debt increased from around 48% of GDP in 2015 to approximately 92% during the pandemic before declining to around 77%. Despite the improvement, debt remains substantially higher than pre-pandemic levels and continues to limit fiscal flexibility.

A particularly important component of his presentation focused on the quality and composition of public expenditure. Dr. Reddy demonstrated that capital expenditure has steadily declined relative to operating expenditure over the past decade. The ratio of capital expenditure to operating expenditure fell from approximately 0.64 in 2015-16 to around 0.24 in the 2025-26 Budget. Similarly, capital expenditure's share of total expenditure declined from approximately 38.9% to just 19.2% over the same period.

Dr. Reddy argued that this shift has significant implications for long-term growth. Capital expenditure creates productive assets such as roads, ports, utilities and public infrastructure that support future economic activity. Operating expenditure, while necessary, primarily finances consumption and recurrent obligations. According to Dr. Reddy, Fiji is increasingly spending more on recurrent costs while investing proportionately less in productive assets capable of generating future growth.

Dr. Reddy also analysed what he termed the "coverage ratio", which measures the extent to which operating revenues cover operating expenditure. This ratio declined from approximately 1.35 in 2015-16 to around 1.01 in the 2025-26 Budget. He argued that this trend demonstrates a significant erosion of fiscal space. When operating revenues barely exceed operating expenditure, governments have limited capacity to repay debt, finance investment or respond to unexpected shocks without further borrowing.

Another important finding presented was the declining economic return generated by public expenditure. Dr. Reddy noted that GDP generated per dollar of operating expenditure has fallen over time, suggesting that government spending is becoming less productive. This raises important questions regarding public sector efficiency and expenditure effectiveness.

The presentation also examined revenue mobilisation trends. Historically, Fiji's revenue-to-GDP ratio exceeded 35 percent. While revenues have recovered strongly following the pandemic, the ratio remains below historical norms at approximately 28%. Dr. Reddy suggested that structural changes within the economy, growth in lower-taxed activities, compliance issues and other factors may be affecting revenue performance.

Turning to the National Development Plan 2025-2029 and Vision 2050, Dr. Reddy welcomed the existence of a long-term development framework but questioned whether sufficient emphasis had been placed on measurable targets, implementation milestones and monitoring mechanisms. He argued that development plans must clearly establish where the country currently stands, where it seeks to go and how progress will be measured over time.

He also raised concerns regarding governance and institutional performance. Although governance is identified as a key pillar within the development framework, Dr. Reddy argued that stronger priority should be given to public sector reform, regulatory efficiency, institutional strengthening and performance management if Fiji is to achieve higher growth rates.

Dr. Reddy concluded by arguing that Fiji's challenge is no longer recovery but transformation. While the economy has largely recovered from the pandemic shock, achieving sustained prosperity will require stronger productivity growth, more effective public expenditure, improved governance, increased private sector investment and economic growth rates significantly higher than those currently projected.

Mr. Richard Naidu – Chairperson, Fiscal Review Committee

Mr. Richard Naidu approached the discussion from the perspective of fiscal sustainability, public policy and long-term economic resilience. He argued that Fiji's economic challenges require greater urgency at the political level and a stronger focus on implementation rather than continued discussion of well-known problems.

A central theme of his presentation was that economic growth matters not simply because it increases GDP, but because it directly affects the quality of life of ordinary citizens. According to Mr. Naidu, macroeconomic policy should not be viewed as an abstract exercise undertaken by economists and policymakers. Rather, it determines whether governments can improve healthcare, education, infrastructure and economic opportunities for citizens.

Mr. Naidu noted that more than one-third of Fiji's population lives either in poverty or close to poverty. Improving living standards therefore requires equalising opportunities through better health services, improved educational outcomes,

stronger infrastructure and sustained economic growth. In this context, he argued that government remains the only institution capable of addressing many of Fiji's structural challenges, making fiscal policy critically important.

He highlighted a number of serious social and economic concerns facing the country. Fiji continues to confront a significant non-communicable disease crisis while HIV infections are rising at an alarming rate. Mr. Naidu described Fiji's health challenges as among the most serious globally and stressed that improving public health outcomes is not only a social imperative but also an economic necessity, given the impact of poor health on productivity and workforce participation.

Mr. Naidu also expressed concern regarding the education system, arguing that it is increasingly failing to meet the needs of a modern economy. Without improvements in educational quality, workforce readiness and skills development, Fiji will struggle to increase productivity and sustain higher rates of economic growth.



Chairperson of the Fiscal Review Committee, Mr. Richard Naidu, stresses his point during the presentation

On the broader economy, Mr. Naidu emphasised that stagnation is not an option. As a small open economy, Fiji competes continuously with other countries for investment, tourism and market opportunities. If Fiji grows more slowly than its competitors, its relative competitiveness deteriorates, placing pressure on investment flows, exchange rates, import costs and ultimately living standards.

Drawing extensively on the findings of the Fiscal Review Committee, Mr. Naidu identified what he described as a "triple threat" facing Fiji.

The first threat concerned government debt and fiscal capacity. At the time of the Committee's review, Fiji's debt-to-GDP ratio stood at approximately 85 percent. While the ratio has improved since then, he argued that government still faces limited fiscal space and constrained borrowing capacity relative to the country's development needs.

The second threat was Fiji's limited ability to respond to future shocks. Mr. Naidu noted that Fiji has been fortunate not to have experienced a major cyclone or disaster comparable to those affecting neighbouring countries in recent years. He observed that Fiji has not suffered a major cyclone for several years and that geologists have warned that the Suva region is overdue for a major earthquake.

Should such a disaster occur, government would face significant financing difficulties because very little has been accumulated in fiscal reserves.

The third threat identified by the Committee was the challenge of financing billions of dollars in infrastructure investment despite already constrained public finances. Mr. Naidu highlighted water and sewerage infrastructure as particularly urgent priorities, while also identifying roads, bridges, sanitation systems and electricity infrastructure as areas requiring substantial investment over the coming decade.

Discussing taxation, Mr. Naidu reflected on the difficult choices examined by the Fiscal Review Committee. He explained that the Committee had considered numerous revenue options and concluded that government had relatively few realistic avenues for substantially increasing revenue. Personal income tax offered limited scope because approximately 120,000 of Fiji's estimated 140,000 taxpayers fall below the personal income tax threshold, leaving a relatively narrow tax base from which additional revenue can be generated.

According to Mr. Naidu, this reality was one of the principal reasons the Committee recommended increasing VAT. He argued that VAT remains one of the most effective revenue-generation instruments available to government. He further suggested that the subsequent reduction in VAT had been a mistake, estimating that it may have cost government approximately \$500 million in revenue at a time when public finances remain under significant pressure.

Despite these concerns, Mr. Naidu acknowledged several positive developments. He commended government for creating greater space for public debate and discussion on economic policy. He noted that the Fiscal Review Committee itself was evidence of a more open policy environment, observing that the previous comprehensive fiscal review had been undertaken almost two decades earlier in 2004.

He also highlighted the increased predictability of fiscal policy in recent years. Businesses now operate within a more stable taxation framework, with clearer expectations regarding corporate tax and VAT settings. According to Mr. Naidu, policy certainty remains an important foundation for investment and economic confidence.

Nevertheless, he repeatedly returned to what he viewed as Fiji's central challenge: a lack of urgency. Fiji has access to expertise, development partners, technical advice and policy options. The issue, he argued, is not the absence of solutions but the pace at which decisions are implemented.

Mr. Naidu suggested that recent economic growth has been heavily supported by the post-pandemic tourism rebound. While that recovery was stronger and more sustained than many expected, it is now beginning to moderate. Growth rates below 3 percent, he argued, will be insufficient to achieve Fiji's long-term aspirations. Referring to World Bank estimates, he noted that Fiji would require approximately 5.7 percent annual growth to attain high-income status, a target he considered achievable with the right policy settings.

Looking ahead, Mr. Naidu identified two areas where immediate action could generate significant benefits. The first was water and sewerage infrastructure. He argued that Fiji has failed to replicate within the Water Authority of Fiji the institutional transformation achieved by the Fiji Electricity Authority, now Energy Fiji Limited. Unlike EFL, the Water Authority lacks sufficient financial autonomy, revenue and investment capacity. Chronic underinvestment has therefore become a major constraint on economic growth. Without adequate water and sewerage systems, Fiji cannot build the houses, factories, commercial developments and tourism facilities

required for future expansion.

The second priority was immigration reform. Mr. Naidu argued that Fiji's investment pipeline cannot be realised without access to skilled labour. Engineers, architects, builders, accountants and technical specialists are required to deliver many planned projects. He expressed disappointment that immigration processes remain cumbersome and argued that more efficient immigration systems could provide a relatively quick response to Fiji's labour and skills shortages.

Mr. Naidu concluded that Fiji faces no shortage of policy advice or recommendations. The challenge is implementation. Unless government acts with greater urgency on economic reforms, infrastructure investment and productivity enhancement, Fiji risks remaining trapped in a cycle of modest growth, limited fiscal space and increasing vulnerability.

Moderator Led Discussion

Following the conclusion of presentations, Moderator Ms. Finau Soqo invited panellists to provide a one-word assessment of the state of the Fijian economy.

Dr. Naomi Mathenge described the economy as both "resilient" and "fragile". While Fiji had demonstrated an ability to recover from major shocks, significant work remained to ensure long-term resilience. She stressed the importance of acting urgently if Fiji wished to build a stronger future.

Dr. Mahendra Reddy selected the word "vulnerable". He argued that while the economy could be turned around, doing so would require stronger institutions, better leadership and greater willingness from stakeholders to speak openly about policy failures and necessary reforms.

Mrs. Poonam Singh described the economy as being in a state of "transformation". She argued that crises often reveal a country's true potential and create opportunities for change and adaptation.

Mr. Nilesh Lal characterised the economy as being in a "precarious" position. While some indicators had improved, he argued that underlying fiscal vulnerabilities remained significant and should not be ignored.

Mr. Richard Naidu selected the word "critical", while emphasising that his preferred word was "urgent". According to him, Fiji's economic challenges are manageable, but only if decisive action is taken soon.

The Moderator then posed a broader question: *What single reform or intervention was so important that failure to undertake it could significantly worsen Fiji's situation?*

Mr. Naidu argued that government must elevate economic management to its highest political priority. He reiterated that solutions already exist and what is lacking is implementation. He, once again, highlighted immigration reform and water infrastructure as immediate priorities capable of generating significant economic benefits.

Mr. Lal focused on government expenditure. He argued that Fiji's overall level of government spending could not be reduced dramatically without harming economic activity. Instead, the composition of expenditure needed to change. He suggested that approximately 30-35% of government expenditure should be directed towards capital investment rather than the current level of around 19%.

Mrs. Singh stressed the need for a whole-of-nation approach involving government,

the private sector and civil society. She argued that no single institution could resolve Fiji's challenges alone and that implementation capacity would be critical to achieving meaningful reform.

The discussion reflected a broad consensus that Fiji's principal challenge is not identifying problems but implementing solutions. Productivity, investment, infrastructure, governance and institutional effectiveness emerged repeatedly as areas requiring urgent attention.



Question and Answer Session

The Question and Answer session focused heavily on fiscal sustainability, public debt, productivity, governance and implementation.

Several participants questioned whether Fiji's current growth trajectory was sufficient to achieve the objectives outlined in Vision 2050 and the National Development Plan. Panellists generally concurred that current growth rates were inadequate and that significantly higher levels of productivity and investment would be required.

Questions relating to debt generated substantial discussion. Participants sought clarification regarding the implications of rising nominal debt levels, declining debt-to-GDP ratios and shrinking fiscal space. While Panellists differed somewhat in emphasis, there was broader agreement that debt sustainability ultimately depends on economic growth, fiscal discipline and the productive use of borrowed funds.

The audience also raised concerns regarding government efficiency and public sector performance. These questions reinforced themes raised by Dr. Reddy regarding expenditure effectiveness, governance and productivity within public institutions.

The Keynote Speaker and IMF Regional Representative, Dr. Ganelli, also shared his remarks with the Panellists. His comments were as follows:

- There has been a lot of discussion about debt dynamics and debt sustainability. In the IMF report, which has also been discussed widely, contains an annex on debt sustainability. That annex looks at the ratio of debt to GDP because that's what matters.
- What matters is the amount of debt in relation to the resources available in the economy to repay it. That is why we look at it as a ratio of GDP.
- In the 2024 Article 4 report, when the ratio of the debt to GDP decreased

between 2023 and 2024, the policies did play a role. The IMF believes that the increase in VAT did play a role in that decrease of the debt to GDP ratio.

- If you were to increase VAT again to 15%, it could play a role to contain the dynamic of the debt to GDP and to create fiscal space. In our report, we provided some options to the authorities to generate more revenue, which the bulk of it is related to the VAT.
- There is also some space for increasing compliance to tax administration and other kind of taxes. That will free up fiscal space, free up some space for increased capital spending, and also for social assistance to the most vulnerable in response to the oil shock.

The session concluded with a recognition that Fiji's economic challenges are complex but not insurmountable. Across differing ideological and institutional perspectives, Panellists broadly concurred that stronger productivity, more effective public investment, improved infrastructure, enhanced human capital and better implementation of reforms will be essential if Fiji is to achieve sustained and inclusive economic growth.

Major Themes Emerging from the Discussions

Several important themes emerged across the presentations. These include:

- There was consensus that Fiji faces significant fiscal constraints. While opinions differed regarding the severity of those constraints, all speakers acknowledged that debt remains elevated and that fiscal buffers need to be rebuilt.
- There was broad agreement that Fiji's economic recovery is real but incomplete. While tourism has recovered strongly, overall growth remains relatively modest and insufficient to achieve Fiji's long-term development ambitions.
- Panellists repeatedly emphasised productivity as the central challenge facing the economy. Future prosperity will depend less on recovery and more on improving productivity, labour participation and investment.
- There was considerable discussion regarding the composition of government expenditure. Questions were raised about the balance between operating expenditure and capital investment, and whether current spending patterns adequately support long-term growth.
- Panellists agreed that the private sector must play a larger role in driving investment, job creation and productivity growth. This will require improvements in the business environment, investment climate, labour market outcomes and access to finance.
- Finally, climate change, natural disasters and external shocks were identified as enduring risks that must be integrated into economic planning and public investment decisions.

Conclusion

Panel Discussion 1 provided a comprehensive assessment of Fiji's macroeconomic position. While participants acknowledged the significant progress made since the pandemic, the discussions underscored that recovery alone will not guarantee future prosperity. The central message emerging from the session was that Fiji faces a pivotal moment. Stronger growth, improved productivity, greater labour force participation, prudent fiscal management and increased investment will be necessary if the country is to achieve its long-term development aspirations.

The discussion highlighted that Fiji's challenge is no longer simply recovering from crisis. Rather, it is determining whether the current recovery can be transformed into a sustainable, productive and resilient growth model capable of delivering higher living standards for future generations.

PANEL DISCUSSION 2

PRIVATE SECTOR GROWTH, INVESTMENT AND ECONOMIC CONFIDENCE

Moderator: Ms. Jacinta Hesaie – Chief Manager Economics, Reserve Bank of Fiji

The second Panel Discussion of the State of the Fijian Economy Dialogue 2026 shifted the focus from the macroeconomic realities examined in Panel 1 to the role of the private sector as the principal driver of economic growth, investment, productivity and job creation. The session brought together leaders from the financial sector, private enterprise, manufacturing, technology and higher education to examine the conditions necessary for private sector-led growth.

The discussion explored business confidence, investment conditions, infrastructure constraints, labour shortages, migration, productivity, human capital development, technological transformation and the reforms required to unlock stronger private sector growth.



The Moderator, Ms. Jacinta Hesaie (second left) with the Panellists during the session

The session sought to examine the following three (3) key questions:

- What factors most influence business and investor confidence in Fiji today?
- What practical reforms are needed to stimulate private sector investment, productivity and competitiveness?
- How can Fiji develop the skilled workforce required to support sustainable growth, innovation and job creation?

Mr. Ariff Ali – Governor, Reserve Bank of Fiji

Mr. Ali provided a sobering assessment of Fiji's economic outlook and argued that the private sector must now become the primary engine of economic growth. This is because the government's fiscal capacity is increasingly constrained. Mr. Ali outlined that the Macroeconomic Committee had revised Fiji's GDP growth forecast for 2026 downward from 3% to 1.5%. This represented the lowest growth forecast in five (5)

years. The previous year's growth estimate had also been revised down from 3.5% to 3%, while growth for 2027 was expected to be approximately 2.5% before settling between 2-3% in subsequent years. These projections, he noted, remained significantly below the target set by the National Development Plan of 5 percent annual growth.

Mr. Ali also highlighted the rapidly rising inflation which stood at 3.9 percent at the end of May, compared with negative 3.8% in September of the previous year. This represented a swing of approximately 7.7 percentage points. He warned that inflationary pressures would intensify due to increases in fuel prices, gas prices, electricity surcharges and transportation costs. These increases would eventually feed through into the prices of vegetables, fish, freight services and other basic goods.

A major concern raised by Mr. Ali was Fiji's fiscal position. He noted that the fiscal deficit was expected to reach approximately 6.4%, making it one of the largest deficits outside the COVID-19 period. Public debt was projected to reach approximately 84-85% of GDP by the end of the financial year. On the other hand, government expenditure had increased from approximately \$3.3-\$3.5 billion to around \$4.8 billion.



Governor of the Reserve Bank of Fiji, Mr. Ariff Ali (left), makes his point during the Panel Discussion

According to Mr. Ali, these fiscal realities severely limit government's ability to stimulate economic growth through increased spending. While governments typically respond to slowing growth by increasing expenditure, Fiji's debt position means that fiscal space is now very constrained.

The Governor argued that monetary policy has already done much of the available work. Interest rates remain historically low by international standards, and private sector credit growth stood at approximately 12.8%. Yet, despite strong credit growth, GDP growth remains weak at around 1-1.5%. This suggests that other constraints are preventing investment from translating into stronger economic activity.

Mr. Ali identified uncertainty and volatility as defining features of the current environment. Global developments, particularly the Strait of Hormuz crisis, are increasing fuel costs and generating inflationary pressures that Fiji cannot control.

Against this backdrop, the Governor argued that private sector investment is the only realistic pathway to stronger growth. Government cannot continue carrying the economy through expenditure, and Fiji should have begun shifting towards a stronger private sector-led growth model earlier.

A particularly significant observation concerned approved but undrawn loans. Mr. Ali revealed that approximately \$1 billion in commercial bank loans had already been approved for private sector borrowers but had not yet been drawn down. Feedback from businesses suggested that delays in approvals and regulatory processes were preventing investment projects from proceeding.

Mr. Ali identified ease of doing business as one of Fiji's most significant challenges. Investors frequently raise concerns regarding approvals from agencies such as the National Fire Authority, Occupational Health and Safety, Water Authority of Fiji, Energy Fiji Limited, Fiji Roads Authority, Land Transport Authority and various ministries. Delays in approvals discourage investment and prevent already-approved financing from being converted into economic activity.

Mr. Ali further argued that confidence is influenced not only by economic variables but also by social conditions. Crime, drugs, HIV and broader governance concerns all affect investor sentiment and can ultimately impact tourism, Fiji's largest industry.

He also highlighted concerns raised by businesses regarding the Employment Relations Bill and the implications of minimum wage increases. While supporting fair wages, he argued that wage policy must be considered alongside productivity, business viability and economic conditions.

Key messages:

- Fiji's economic outlook has weakened significantly due to slower growth, rising inflation, high debt and limited fiscal space.
- Since government can no longer act as the primary driver of growth, the private sector must take on that role.
- Investment will only increase if confidence improves, bureaucracy is reduced, approvals are accelerated and policy uncertainty is minimised.

Mr. Jaoji Koroi – Group Chief Executive Officer, Fijian Holdings Limited

Mr. Jaoji Koroi framed his presentation around a simple proposition: confidence is the currency of investment.

He argued that investors make decisions based on certainty and predictability. When uncertainty increases, businesses shift from growth-oriented investment towards risk mitigation and preservation.

Using Fijian Holdings Limited (FHL) as a case study, Mr. Koroi demonstrated how long-term local investment can contribute to economic development. Established in 1984 to accelerate iTaukei participation in the commercial sector, FHL has evolved into one of Fiji's largest diversified investment groups.

Mr. Koroi noted that approximately 72% percent of FHL shares are owned by key iTaukei institutions, notably the iTaukei Affairs Board, iTaukei Trust Fund Board and iTaukei Land Trust Board, along with provincial and community entities.

FHL has distributed more than \$151 million in dividends to shareholders, generating returns equivalent to approximately 4.96 times the original investment, while shareholder capital gains have increased by roughly ten times. FY2024 dividends

totalled approximately \$8.1 million which increased to around \$10.2 million in FY2025. The Group now has investments valued at approximately \$738.1 million across tourism, retail, finance, property, media, manufacturing and construction. Total assets exceed \$1 billion, while the group employs approximately 1,855 to 1,900 people and pays around \$27 million annually in taxes. This is an increase from \$19.3 million previously.



Fijian Holdings Limited CEO, Mr. Jaoji Koroi, delivering his presentation

Despite economic uncertainty, FHL invested approximately \$297 million between FY2023 and FY2026, including approximately \$143.6 million in property investment, \$80.2 million in equity investments and \$45.6 million in vessel acquisitions. However, Mr. Koroi warned that business confidence is being weakened by several factors, including slowing growth, infrastructure failures, excessive bureaucracy and election-related uncertainty. He stated that FHL itself had shifted its risk posture from growth-oriented investment towards risk mitigation.

Infrastructure emerged as one of the strongest themes of his presentation. Investors require reliable roads, water, wastewater services and utilities. Infrastructure deficiencies directly influence investment decisions and constrain growth. Mr. Koroi proposed the development of a long-term national infrastructure plan, supported by legislation and protected from short-term political cycles. Such a framework would provide continuity regardless of changes in government.

Mr. Koroi also highlighted opportunities in the mahogany industry and called for a long-term solution to the sugar industry's ongoing challenges. He further suggested exploring national savings schemes that could encourage participation from the informal sector while reducing long-term welfare dependency.

Furthermore, Mr. Koroi argued that Fiji faces growing skills shortages. Labour mobility is likely to remain a permanent feature of the economy, requiring policy responses that improve workforce capability. He also expressed concern that tertiary institutions are producing graduates whose skills do not always match employer expectations.

Key messages:

- Confidence, infrastructure, workforce capability and practical government facilitation are essential preconditions for investment.

- Fiji has demonstrated that local investment can generate substantial economic returns, but unlocking future growth will require stronger infrastructure, better policy execution and closer alignment between education and labour market needs.

Mr. Arvind Maharaj – Chief Executive Officer and Founder, Omcore Technologies

Mr. Arvind Maharaj approached the discussion from the perspective of an entrepreneur and technology business founder.

He argued that every economic decision should ultimately be evaluated according to its return on investment. Return should not be measured solely in financial terms but also in jobs, productivity, exports, skills development and improved quality of life.

According to Mr. Maharaj, confidence cannot be created through rhetoric alone. Investors respond to risk, return and practical business conditions rather than slogans.

A major concern raised during his presentation was Fiji's shrinking labour and consumer base. He noted that Fiji's population remains around 900,000, while approximately 114,000 residents reportedly departed the country between January 2018 and August 2025. This figure is roughly equivalent to the combined populations of Lautoka and Nadi.

Migration affects not only labour supply but also domestic demand. Workers, technicians, teachers, nurses and consumers are all leaving the economy.



Mr. Arvind Maharaj joined the panel moderated by Jacinta Hesaie during vixeo conferencing

Mr. Maharaj described MSMEs as the heartbeat of Fiji's economy. Prior to COVID-19, MSMEs contributed more than 18 percent of GDP and employed approximately 60 percent of the workforce. The MSME Strategic Plan aims to increase their contribution to 40 percent of GDP by 2030.

Yet, small businesses face what he described as a "return squeeze". Rising costs, taxes, compliance requirements, wage pressures, licence delays and infrastructure shortcomings all reduce profitability and discourage reinvestment.

Mr. Maharaj cited road congestion as a practical example of how infrastructure affects productivity. Fiji has more than 6,377 kilometres of roads and over 162,000 operating vehicles. Vehicle ownership has increased from 68 vehicles per 1,000 people in 2000 to 167 per 1,000 people in 2024. Traffic congestion imposes costs through delays, wasted fuel, reduced productivity and increased stress.

Citing World Bank research, he noted that every \$1 invested in resilient infrastructure can generate approximately \$4 in economic benefits. A \$500 million infrastructure investment could therefore generate approximately \$2 billion in benefits over the life of the asset.

Mr. Maharaj argued that Fiji cannot achieve prosperity through consumption alone. The country imports far more than it exports. Therefore, Fiji must build earning capacity through sectors such as digital services, technology, outsourcing, agro-processing, manufacturing and regional trade.

Digital businesses, he argued, are particularly promising because they can overcome some of the constraints associated with Fiji's size and geography. Mr. Maharaj also emphasized the relationship between wages and productivity. Higher wages are necessary, but sustainable wage growth requires corresponding improvements in productivity and business performance.

In order to address skills shortages, Mr. Maharaj proposed sector skills compacts involving government, employers and training providers. These partnerships would identify priority skills, training requirements and employment pathways.

Key messages: Mr. Maharaj's key argument was that Fiji must become far more focused on execution, returns and competitiveness. Investment will only increase when policy is predictable, infrastructure improves, skills match industry needs and businesses can earn sustainable returns.

Mr. Mark Halabe – Director, Mark One Apparel

Mr. Halabe delivered one of the most practical presentations of the session by focusing on productivity, execution and competitiveness. He began by acknowledging that many public servants and political leaders are genuinely committed to Fiji's development. However, he argued that institutional systems are increasingly inhibiting effective decision-making.



Mark One Apparel Director, Mr. Mark Halabe, speaking during the Panel Discussion

A significant portion of his presentation focused on what he described as a “culture of fear” within the public service. According to Mr. Halabe, fear of investigation and complaints has contributed to excessive caution, resulting in delayed decisions, bureaucratic processes and reduced initiative. While accountability remains important, he argued that decision-makers must also be empowered to act confidently and efficiently.

However, Mr. Halabe was equally critical of the private sector's tendency to blame government for every challenge. He argued that businesses must take responsibility for improving productivity, embracing innovation and pursuing excellence.

According to him, waiting for government to solve commercial problems, waiting for elections or waiting for ideal conditions is not a viable strategy.

A major concern raised during his presentation was the state of workforce development. Mr. Halabe highlighted that the original purpose of Fiji's 1% training levy was to support human resource development and workforce skills. He argued that the levy has gradually been diverted towards other purposes, therefore, leaving only a small proportion available for actual training and skills development.

Given Fiji's increasing labour shortages and migration challenges, he argued that restoring the levy to its initial purpose should become a national priority.

Mr. Halabe also expressed concern about declining support for the Fiji Business Excellence Framework. He noted that funding had reportedly fallen dramatically despite the programme being one of the few practical mechanisms available to enable businesses improve productivity and competitiveness.

Another major theme of his presentation was artificial intelligence and digital transformation. Mr. Halabe argued that AI is no longer a future possibility but an immediate reality that is reshaping global productivity and competitiveness. For small island economies such as Fiji, AI and digital technologies have the potential to level the playing field by enabling businesses to operate more efficiently and compete internationally.

Using Mark One Apparel as a case study, Mr. Halabe described how the company had undertaken extensive digital transformation across production, logistics, finance, human resources and supply chain management. Digitalization had improved efficiency, reduced delays and enabled more informed decision-making.

He also highlighted the company's success in securing international business from major global brands. This demonstrates that Fijian firms can compete successfully in global markets when they focus on quality, reliability, innovation and productivity.

Throughout his presentation, Mr. Halabe repeatedly returned to the importance of human capital. Technology alone cannot deliver productivity gains if workers lack the necessary skills and capabilities. Therefore, labour should be viewed not as a cost to be minimized but as a strategic asset requiring continuous investment and development.

Key messages:

Mr. Halabe argued that Fiji's competitiveness challenge cannot be solved through rhetoric. Success will depend on higher productivity, stronger workforce development, digital transformation, business excellence and a willingness by both government and the private sector to move beyond excuses and focus on execution.

Dr. Asaeli Tuibeqa – Dean of College of Business, Hospitality and Tourism Studies, Fiji National University

Dr. Tuibeqa focused on what he described as Fiji's most significant long-term constraint: human capital. While acknowledging the importance of investment and business confidence, he argued that investment alone cannot generate sustainable growth if the workforce lacks the necessary skills, productivity and adaptability.



Dean of CBHTS at Fiji National University, Dr. Asaeli Tuibeqa, sharing his insights during the Dialogue

According to Dr. Tuibeqa, labour, productivity and human capital development are inseparable. The quality of the workforce ultimately determines the effectiveness of investment, the competitiveness of businesses and the long-term growth potential of the economy.

He identified the following four major challenges:

- Skills mismatch: many graduates struggle to secure employment that aligns with their qualifications, while employers frequently report difficulties finding workers with the skills they require.
- Brain drain: Fiji continues to lose significant numbers of skilled workers through migration. According to data presented, outward migration has increased far more rapidly than the production of tertiary graduates.
- Limited connection between industry and education providers. Dr. Tuibeqa argued that curricula have often been developed without sufficient consultation with employers, thus resulting in graduates who are not fully prepared for workplace requirements.
- The pace of technological change: education systems must continuously adapt if they are to prepare workers for emerging industries and future labour market demands.

Dr. Tuibeqa also highlighted concerning productivity trends. While economic output has grown significantly in recent years, labour productivity growth has been much slower. At the same time, migration has accelerated sharply.

He noted that Fiji National University produces approximately 4,000 graduates annually. Having said that, retaining skilled workers remains an ongoing challenge.

A particularly important theme was the relationship between productivity and wages. Dr. Tuibeqa argued that wage increases must ultimately be supported by productivity gains if they are to be sustainable over the long term.

He also highlighted the approximately 23.75% rate of young people who are not in employment, education or training (NEET). Dr. Tuibeqa described this as a serious concern for the future workforce and private sector development.

To address these challenges, Dr. Tuibeqa advocated a transition from a supply-driven education model to a demand-driven model. Under the traditional model, educational institutions determine curricula internally and graduates subsequently seek employment. Under a demand-driven approach, industry actively participates in curriculum design, ensuring that graduates develop skills aligned with labour market requirements.

Dr. Tuibeqa outlined that Fiji National University has already begun reviewing programmes in collaboration with industry stakeholders and intends to deepen these partnerships.

Other recommendations included:

- Greater investment in technical and vocational education.
- Stronger industry-education partnerships.
- Lifelong learning opportunities.
- Talent retention strategies.
- Utilisation of retired professionals as mentors.
- Better forecasting of future skills requirements.

Key messages:

Dr. Tuibeqa argued that Fiji's long-term growth prospects will depend heavily on the quality of its workforce. Human capital is becoming one of the country's most significant economic constraints. Therefore, a stronger alignment between education, training and industry needs is essential.

Moderator Led Discussion

The moderated discussion revealed significant convergence among the Panellists despite their different backgrounds and perspectives.

When asked to identify the single biggest challenge facing the private sector, the Panellists highlighted:

- Confidence.
- Economic growth.
- Weak public-private sector connectivity.
- The return squeeze affecting businesses.

This exchange reinforced the central importance of confidence throughout the session. The discussion also explored whether business confidence is influenced more by economic conditions or policy certainty. Panellists generally agreed that both matters, although their relative importance varies across sectors and industries. Several speakers argued that Fiji has an execution problem rather than a planning problem. Policies, strategies and plans often exist but implementation is often slow and inconsistent.

The issue of bureaucracy emerged repeatedly. Delays in approvals, uncertainty regarding regulatory processes and weak coordination between agencies were identified as barriers to investment.

Human capital and labour shortages also featured prominently. Panellists agreed that migration is likely to remain a reality and that Fiji must respond by improving skills development, workforce productivity and education-industry collaboration.

Question and Answer Session

The Question and Answer session focused on several key issues. These include:

- **Graduate Employment Pathways:** Participants raised concerns regarding the transition from education to employment and the need for stronger links between tertiary institutions and employers.
- **MSMEs:** Questions highlighted the importance of ensuring that economic policy supports not only large corporations but also micro, small and medium enterprises, which employ a significant share of Fiji's workforce.
- **Manufacturing and Industrial Development:** Participants asked whether Fiji could realistically expand manufacturing and reduce dependence on imports. Panellists generally agreed that manufacturing remains viable but must be globally competitive and productivity-driven.
- **Mahogany and Natural Resources:** Questions were raised regarding the commercialisation of Fiji's mahogany resources and the need for reforms that ensure benefits reach landowners while supporting industry growth.
- **Political Uncertainty:** Participants also explored the relationship between elections, policy certainty and investment confidence. Panellists agreed that businesses prefer predictable policy environments and that uncertainty can delay investment decisions.
- **Education Reform:** Questions regarding curriculum relevance and future skills requirements reinforced many of the concerns raised by Dr. Tuibega regarding the need for demand-driven education and stronger industry engagement.



Mr. Mark Halabe responds to questions from the floor during the Q&A session

Major Themes Emerging from Panel Discussion 2

Several major themes emerged consistently throughout the discussion. These include:

- **Private Sector-Led Growth is Essential:** The strongest message from the panel

was that Fiji's next phase of growth must come from the private sector. Government's fiscal position limits its ability to continue driving growth through expenditure, making private investment increasingly important.

- **Confidence Drives Investment:** Confidence was repeatedly described as the foundation of investment. Businesses invest when they have certainty regarding policy, regulation, infrastructure and economic conditions.
- **Fiji Faces an Execution Deficit:** Panellists consistently argued that Fiji has many plans and strategies but struggles with implementation. Faster execution and better coordination are needed across both government and business.
- **Bureaucracy Remains a Significant Constraint:** Delays in approvals and administrative processes continue to discourage investment and increase business costs.
- **Productivity Must Improve:** Higher productivity was identified as essential for stronger wages, competitiveness, profitability and economic growth.
- **Human Capital is Becoming a Binding Constraint:** Skills shortages, migration and workforce capability challenges are increasingly limiting economic expansion.
- **Infrastructure Matters:** Reliable roads, utilities, transport systems and communications infrastructure remain fundamental to investment and growth.
- **Technology and Artificial Intelligence Offer Significant Opportunities:** AI, digitalisation and technology-driven businesses were identified as important opportunities for improving productivity and creating new industries.
- **Export-Oriented Growth is Critical:** Given Fiji's small domestic market, future growth will require strong participation in export industries and regional markets.
- **MSMEs Require Greater Attention:** Small businesses remain central to employment and economic activity and require policies that reduce compliance burdens and improve access to opportunities.

Conclusion

Panel Discussion 2 provided a practical and solutions-oriented examination of the challenges facing Fiji's private sector. While the panellists approached the issues from different perspectives, there was broad agreement that Fiji's economic future will depend heavily on the ability of the private sector to invest, innovate and create employment.

The discussion highlighted that confidence remains fragile. Slower growth, inflationary pressures, infrastructure constraints, labour shortages, policy uncertainty and bureaucratic delays are all weighing on investment decisions. At the same time, the panel demonstrated that significant opportunities exist. Fiji possesses strong private sector institutions, entrepreneurial talent, emerging digital industries, valuable natural resources and the potential to build more diversified and resilient sources of growth.

Perhaps the most important conclusion emerging from the session was that Fiji's challenge is no longer simply one of recovery. The country must now focus on creating an environment in which businesses can invest confidently, workers can develop relevant skills and economic growth can be driven increasingly by productivity, innovation and private sector initiative. The panel collectively argued that achieving this objective will require stronger execution, better infrastructure, improved human capital development, reduced bureaucracy and a renewed commitment to creating the conditions necessary for long-term private sector-led growth.

DAY 2– WEDNESDAY 10 JUNE, 2026

PANEL DISCUSSION 3

NATIONAL PRIORITIES AND FIJI'S ECONOMIC FUTURE

Moderator: Mr. Jon Apted – Partner, Munro Leys

The third Panel Discussion of the State of the Fijian Economy Dialogue 2026 brought together senior political leaders and policy figures representing a broad spectrum of Fiji's political landscape to discuss the country's economic future, governance challenges and policy priorities.

The discussion took place against the backdrop of concerns raised throughout the dialogue regarding slowing economic growth, rising public debt, fiscal sustainability, productivity challenges, outward migration, infrastructure deficits and the emerging global fuel crisis.

The session sought to deliberate on the following three (3) key questions:

- What should be Fiji's highest economic priorities at this point in the country's development?
- How can Fiji balance economic growth, fiscal responsibility and social protection during a period of rising economic pressure?
- What policy reforms and governance measures are needed to build a more prosperous, resilient and inclusive Fiji?



National political leaders during the panel session

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Honourable Professor Biman Prasad – Leader, National Federation Party and Member of Parliament

Jobs, Incomes, Resilience and Fiscal Stability



NFP Leader and Member of Parliament, Hon. Prof. Biman Prasad, presenting his perspectives to attendees

Hon. Professor Prasad structured his presentation around what he described as four central priorities for Fiji's economic future: jobs, incomes, resilience and fiscal stability.

He began by referring to the National Development Plan and Vision 2050. Hon. Prof. Prasad outlined that, for the first time, Fiji had clearly articulated a long-term objective of attaining high-income country status by 2050. However, he stressed that achieving this objective would require significant structural transformation rather than a continuation of existing economic patterns.

According to Hon. Prof. Prasad, Fiji's future prosperity rests on maintaining and strengthening tourism while simultaneously diversifying into new sectors. Tourism would continue to be a critical pillar of the economy because Fiji possesses clear comparative advantages including geographic location, established tourism infrastructure and environmental assets. However, he argued that Fiji had historically underperformed in diversification and must now strengthen agriculture, fisheries, manufacturing and high-value exports.

Hon. Prof. Prasad further emphasized the importance of investment in infrastructure, housing, health, education and climate resilience. Referring to the work undertaken with the World Bank, he highlighted ongoing efforts to strengthen the health sector, including plans for a new national hospital.

A significant portion of his presentation focused on the emerging global fuel crisis, which he described as potentially more consequential than many recent global economic shocks.

Drawing historical comparisons, he noted that during July 2008 global oil prices reached approximately US\$145 per barrel. Adjusted for current values, he estimated that this would be equivalent to approximately US\$225 per barrel today. He recalled that Fiji experienced severe inflationary pressures during that period, eventually culminating in foreign exchange difficulties and the devaluation of the Fiji dollar in 2009.

According to Hon. Prof. Prasad, the current crisis differs fundamentally from COVID-19. During the pandemic, the primary challenge was unemployment and income loss. Large numbers of workers lost their jobs entirely. The current crisis, by contrast, is principally a crisis of affordability and rising living costs.

In regards to fiscal management, Hon. Prof. Prasad acknowledged Fiji's long history of fiscal challenges extending across multiple governments. He stated that Fiji entered the pandemic already facing economic difficulties, including near-zero growth in 2019 before experiencing a contraction of approximately 17% during COVID-19.

As a consequence, public debt increased significantly. Hon. Prof. Prasad argued that when the Coalition Government assumed office in 2022, it inherited a fragile fiscal position. Therefore, they adopted a strategy aimed at balancing fiscal responsibility, economic growth and social development.

Hon. Prof. Prasad highlighted several outcomes which he attributed to these policies:

- Reduction of the budget deficit from approximately 7.2% in 2022 to 3.4% and subsequently 2.5%.
- Reduction in debt-to-GDP ratios from approximately 91.8% in July 2022 to around 79% by 2025.
- Three consecutive years of revenue growth exceeding 3%.

While acknowledging that fiscal sustainability challenges remain, he argued that significant progress had been achieved in stabilizing public finances. Hon. Prof. Prasad also defended several revenue measures implemented by government. Responding to criticisms regarding VAT policy, Professor Prasad argued that the previous system, which contained multiple VAT rates of 0%, 9% and 15%, created substantial revenue leakage. According to him, businesses frequently charged customers at one VAT rate while remitting taxes at lower rates, resulting in losses estimated at between \$400 million and \$500 million.

The government's decision to rationalise the VAT system was therefore intended to improve revenue collection and strengthen fiscal sustainability.

Hon. Prof. Prasad also highlighted several social protection measures implemented by government. These include:

- More than \$170 million in back-to-school support over three years.
- Assistance reaching more than 200,000 students annually.
- The write-off of approximately \$650 million in debt benefiting around 53,000 families.

He argued that these measures demonstrated that fiscal responsibility and social protection need not be mutually exclusive.

Hon. Prof. Prasad concluded by stressing that Fiji must pursue sustainable growth

supported by stronger governance, improved productivity, sound financial management and inclusive economic opportunities.

Honourable Mr. Manoa Kamikamica – Deputy Party Leader, The People's Alliance and Member of Parliament

Economic Diversification and Structural Diversification



Deputy Party Leader, The People's Alliance and Member of Parliament, Hon. Manoa Kamikamica, sharing his insights during the panel session

Hon. Kamikamica focused his presentation on economic restructuring and diversification. He argued that the government had spent the past several years laying the foundations for a fundamentally different economic model.

Using the analogy of a duck appearing calm above water while paddling intensely beneath the surface, he suggested that many important reforms were occurring behind the scenes and had yet to become fully visible to the public.

According to Hon. Kamikamica, Fiji's principal economic vulnerability has been excessive dependence on tourism combined with the development of a consumption-driven economy. He argued that such an economic model does not generate sufficient productivity growth and has contributed to increasing urbanization and economic concentration.

The government's response, he argued, has been to focus on two key priorities:

- Economic diversification.
- Ease of doing business.

One of the most significant opportunities identified by Hon. Kamikamica was the ICT and Business Process Outsourcing sector. He revealed that Google was currently developing a data operations centre in Natadola and argued that this investment would significantly enhance Fiji's attractiveness as an ICT hub.

According to Hon. Kamikamica:

- Approximately ten firms have already established operations within Fiji's BPO sector.
- The industry currently employs approximately 8,000 workers.
- Foreign exchange earnings have exceeded \$300 million.

He predicted that if current momentum continues, the sector could eventually generate approximately \$1 billion annually in foreign exchange earnings. Hon. Kamikamica also argued that ICT, cybersecurity and business process outsourcing are particularly attractive because they align closely with the interests and skills of younger Fijians.

Commercial agriculture was identified as another major pillar of diversification. Hon. Kamikamica explained that the government's strategy has been to work with experienced commercial investors rather than relying solely on public-sector initiatives. He cited Fiji Water as a prominent example. According to Hon. Kamikamica, Fiji Water currently has approximately 70,000 citrus plants in quarantine in Vanua Levu and intends to develop a significant commercial citrus industry.

He also highlighted interest from Aitken Spence, a major Sri Lankan agricultural company, which has identified land in Nadi for commercial agriculture projects. Additional discussions were reportedly underway with other major investors.

According to Hon. Kamikamica, successful commercial agriculture projects could subsequently be linked with cooperatives and rural communities, creating opportunities for broader participation in economic growth.

In regard to fiscal responsibility, Hon. Kamikamica acknowledged the need for discipline and highlighted what he considered examples of past fiscal mismanagement. He cited the film tax rebate scheme as an example, claiming that approximately \$400 million had been spent through the programme without adequate budgetary provision.

He argued that fiscal policy should focus on key indicators including:

- Debt-to-GDP ratios.
- Revenue performance.
- Operating versus capital expenditure balances.
- Tax burdens on economic activity.

Hon. Kamikamica also suggested that the size of government warranted review.

Turning to governance reforms, he argued that one of the most significant changes implemented by the Coalition Government was the repeal of the Media Industry Development Act (MIDA). According to him, the removal of MIDA fundamentally changed the nature of public discourse by allowing greater freedom of expression and more open engagement between government, businesses and citizens.

He also highlighted reforms to Fiji's mahogany sector. Describing mahogany as a potential billion-dollar industry, Hon. Kamikamica argued that previous governments had failed to unlock its economic value. Recent legislative changes, however, could create substantial new income opportunities for landowners and rural communities.

Hon. Kamikamica advocated for the creation of a sovereign wealth fund in the near future. He argued that repeated crises, including COVID-19 and the current fuel shock, demonstrate the need for a permanent financial buffer capable of helping Fiji manage future economic shocks.

He noted that a former Permanent Secretary for Finance, Mr. Filimone Waqabaca, had previously accumulated approximately \$160 million in reserves within three

years. Hence, this demonstrates that such fiscal buffers are achievable.

Hon. Kamikamica concluded by emphasising the importance of developing what he termed the "iTaukei economy". Drawing comparisons with New Zealand's Māori economy, which he estimated at approximately NZ\$120 billion and 20% of New Zealand's total economy, he argued that Fiji had failed to adequately harness the economic potential of indigenous land and natural resources. According to Hon. Kamikamica, better utilization of assets such as mahogany could substantially increase incomes for landowners while strengthening the wider economy.

Mr. Mahendra Chaudhry – Leader, Fiji Labour Party and Former Prime Minister

Governance, Accountability and Economic Recovery

Mr. Chaudhry's presentation focused on governance, institutional accountability and the structural weaknesses that continue to constrain Fiji's economic performance.

He emphasized that economic growth cannot be separated from governance. According to Mr. Chaudhry, sustainable development depends fundamentally on integrity, accountability, transparency and public confidence in institutions. Where governance weakens, economic performance eventually deteriorates.

A recurring theme throughout his presentation was that many of Fiji's current economic difficulties stem not from external shocks alone, but from governance failures accumulated over many years.



Fiji Labour Party Leader, Mr. Mahendra Chaudhry, delivering his remarks during the Dialogue

Mr. Chaudhry argued that the Coalition Government came to office in 2022 on a platform of restoring accountability, reducing the cost of living, combating corruption and strengthening democratic institutions. However, he contended that progress in several of these areas had been disappointing.

He specifically criticised the government's handling of the cost-of-living crisis, arguing that ordinary households continue to struggle with rising prices of food, transport, housing and utilities. Particular attention was given to VAT policy. Mr. Chaudhry

argued that the increase in VAT had imposed a disproportionate burden on lower-income households, especially at a time when inflationary pressures were already reducing purchasing power.

He also criticised what he described as inconsistencies between political commitments and subsequent government decisions. These included promises to reduce the size of the Cabinet, reduce political expenditure and strengthen accountability mechanisms.

A major component of his presentation focused on constitutional governance. Mr. Chaudhry noted that the 2013 Constitution required the enactment of several pieces of legislation designed to strengthen accountability and transparency. More than a decade later, he stressed, many of these measures remain unimplemented.

Among the examples cited were:

- Code of Conduct legislation.
- Freedom of Information legislation.
- A Transparency and Accountability Commission.

According to Mr. Chaudhry, the continued absence of these laws raises legitimate questions regarding political commitment to transparency. He further stated that democratic accountability requires stronger parliamentary oversight of government borrowing and major public expenditure decisions.

Particular concern was expressed regarding sovereign borrowing arrangements and government guarantees. Mr. Chaudhry argued that Parliament should play a more substantive role in scrutinising major debt commitments because these obligations ultimately affect current and future generations of taxpayers.

The health sector featured prominently in his remarks. According to Mr. Chaudhry, Fiji is facing a growing healthcare crisis characterised by:

- Shortages of medical personnel.
- Migration of experienced professionals.
- Equipment shortages.
- Resource constraints.
- Increasing pressure from non-communicable diseases.

He argued that health outcomes have direct economic implications because poor public health undermines labour productivity and imposes significant long-term costs on the economy.

The sugar industry was another area of concern. Mr. Chaudhry emphasised that cane prices had fallen to approximately \$57 per tonne while production costs continued to rise. As a result, many farmers now struggle to operate profitably.

He argued that successive governments had failed to implement meaningful reforms and reiterated his longstanding proposal for a national sugar conference aimed at developing a comprehensive recovery strategy.

Land policy was identified as a related challenge. According to Mr. Chaudhry, Fiji lacks a coherent national land use framework despite land being one of the country's most important economic assets. He argued that uncertainty regarding access to land continues to constrain investment in agriculture and other productive sectors.

The discussion then broadened to wider social challenges. Mr. Chaudhry highlighted:

- Rising drug use.
- Increasing HIV infections.
- Human trafficking concerns.
- Youth disengagement.
- Growing social inequality.

These issues, he argued, cannot be viewed separately from economic policy because they affect productivity, workforce participation and social cohesion.

Furthermore, Mr. Chaudhry argued that outward migration cannot be explained solely by wage differentials or economic opportunity abroad. He contended that many citizens leave Fiji because they perceive limited opportunities, unequal treatment and barriers to advancement at home.

According to Mr. Chaudhry, discrimination in employment, promotion and access to opportunities remains a contributing factor to migration decisions for some groups. He highlighted that if Fiji wishes to retain skilled workers, then it must ensure that all citizens believe they have equal opportunities regardless of ethnicity, religion or political affiliation.

He concluded by arguing that Fiji's economic future depends not only on fiscal policy and investment but also on rebuilding trust in institutions, strengthening governance and creating a society in which all citizens feel valued and included.

Key messages:

- Governance and economic performance are closely linked.
- Accountability and transparency reforms remain incomplete.
- Cost-of-living pressures continue to affect households.
- The health sector faces serious workforce and resource challenges.
- The sugar industry remains in crisis.
- Land policy reform remains necessary.
- Migration is driven by both economic and non-economic factors.
- Inclusive governance is essential for long-term stability and growth.

Mr. Savenaca Narube – Leader, Unity Fiji Party and Former Governor, Reserve Bank of Fiji

Fiscal Space, Corruption and Economic Survival

Mr. Narube delivered one of the most critical assessments of Fiji's current economic position. Drawing heavily on recent IMF assessments and macroeconomic indicators, he argued that Fiji faces one of its most difficult economic periods in decades.

According to Mr. Narube, several indicators point to growing economic stress:

- Economic growth is slowing significantly.
- Inflation remains elevated.
- Cost-of-living pressures continue to increase.
- Public debt remains high.
- Real household incomes are declining.
- Poverty is increasing.

He warned that conditions were likely to deteriorate further before they improved. Mr. Narube argued that Fiji's most urgent challenge is the creation of fiscal space.

According to Mr. Narube, government has become increasingly constrained by debt, recurrent expenditure and expanding operating costs. Unless fiscal space is

restored, the country will struggle to respond effectively to future shocks.

Unlike some speakers who focused primarily on revenue generation, Narube argued that expenditure reduction should be the immediate priority. He outlined a series of measures which he believed could generate meaningful savings:

- Reduce Cabinet to 12 ministers.
- Restore parliamentarians' salaries to 2022 levels.
- Reduce overseas travel by 50 percent.
- Reduce travel allowances.
- Suspend purchases of new government vehicles.
- Defer constitutional and electoral review processes.
- Reduce non-essential government expenditure by approximately 15 percent.



Unity Fiji Party Leader, Mr. Savenaca Narube, sharing his insights during the panel session

According to Mr. Narube, these measures would demonstrate leadership and demonstrate to the public that government is prepared to share the burden of economic adjustment.

A second major priority was the cost-of-living crisis. Mr. Narube argued that the burden of rising prices is currently falling disproportionately on consumers.

He proposed a more equitable sharing of costs through:

- Reductions in fuel-related duties.
- Higher duties on luxury goods.
- More targeted support for vulnerable households.
- Measures to protect purchasing power.

Mr. Narube also devoted substantial attention to corruption. He argued that corruption imposes both economic and social costs by diverting resources, distorting priorities and undermining confidence.

Among his proposals were:

- Stronger political leadership against corruption.
- Consideration of an expatriate Police Commissioner.

- Recruitment of international anti-corruption investigators.
- Stronger penalties for corruption-related offences.
- Greater community involvement in anti-corruption efforts.

Mr. Narube emphasized that corruption is not merely a governance issue but also an economic issue because it reduces investment confidence and weakens public institutions.

Turning to long-term growth, he argued that Fiji should focus on sectors where it possesses clear comparative advantages. Rather than concentrating exclusively on new industries, he suggested revitalising existing natural-resource sectors including:

- Agriculture.
- Fisheries.
- Forestry.
- Mineral resources.

According to Mr. Narube, many of these sectors have underperformed for decades despite significant potential. He also challenged the concept of an "iTaukei economy".

While supporting stronger indigenous participation in economic activity, Mr. Narube pointed out that Fiji should focus on building a single national economy rather than framing development in ethnic terms.

Economic policy, he argued, should unite rather than divide. Mr. Narube concluded by emphasizing that difficult decisions cannot be avoided indefinitely. Unless Fiji restores fiscal space, improves governance and strengthens productivity, economic pressures are likely to intensify.

Key messages:

- Fiji faces one of its most difficult economic periods in decades.
- Creating fiscal space should be government's highest priority.
- Cost-of-living pressures require urgent action.
- Corruption undermines both governance and economic performance.
- Natural-resource sectors offer major growth opportunities.
- Economic policy should focus on a single national economy.
- Difficult reforms are unavoidable.

Mr. Aiyaz Sayed-Khaiyum – Former Minister for Economy

Fiscal Sustainability, Public Expenditure and Economic Priorities

Former Minister for Economy, Mr. Aiyaz Sayed-Khaiyum, focused his presentation on fiscal sustainability, public expenditure, taxation, investment confidence and economic priorities. He argued that Fiji's current economic challenges require an honest assessment of the country's fiscal position and immediate corrective action rather than reliance on political narratives or overly optimistic assessments of the economy.

Mr. Sayed-Khaiyum began by emphasising the importance of understanding Fiji's current economic reality before discussing future policy options. He noted that Fiji's fiscal deficit currently stands at approximately 6 percent of GDP and argued that government must undertake a realistic stocktake of the country's economic position before meaningful solutions can be developed.

Using budget figures, Mr. Sayed-Khaiyum highlighted what he described as a substantial deterioration in the composition of government expenditure over the

past three years. According to him:

- Total government expenditure increased from approximately \$3.7 billion in 2022 to approximately \$4.8 billion in 2025-2026, representing an increase of around \$1.1 billion.
- Of the current \$4.8 billion budget, approximately \$3.9 billion is allocated to operating expenditure.
- The current operating budget alone now exceeds the entire government budget of 2022.



Former Minister for Economy, Mr. Aiyaz Sayed-Khaiyum, emphasizes his point during the Dialogue

Mr. Sayed-Khaiyum argued that these figures reveal a significant shift in government priorities away from productive investment and towards recurrent expenditure. He contrasted the current expenditure mix with previous years, noting that capital expenditure had previously accounted for approximately 35 to 40 percent of total spending, whereas the current budget allocates approximately 80 to 85 percent of expenditure towards operating costs, leaving only a relatively small proportion available for capital investment.

According to Mr. Sayed-Khaiyum, this trend has reduced government's ability to stimulate economic growth through productive investment and has weakened Fiji's capacity to respond to emerging economic shocks.

He further argued that public debt should not be viewed negatively if borrowing is used for productive purposes. However, he expressed concern that increasing levels of borrowing were now being used primarily to finance operating expenditure rather than investments that expand productive capacity and generate future economic returns.

A major focus of his presentation was the growth in public sector employment and wage expenditure. According to Mr. Sayed-Khaiyum:

- The civil service workforce increased from approximately 34,000 employees in 2022 to around 38,000 employees today.
- When staff employed by entities such as the Fiji Roads Authority, Water Authority of Fiji and Fiji Revenue and Customs Service are included, approximately 42,000 people are now supported through public payrolls.

- Government expenditure on public sector wages increased from approximately \$1 billion to \$1.3 billion, representing an increase of around 30 percent.

He argued that these increases have created long-term expenditure obligations and reduced government's fiscal flexibility at a time when the economy faces significant external risks. Mr. Sayed-Khaiyum also criticised the decision to increase VAT, arguing that the measure was implemented when it was not economically necessary. He contended that Fiji was already experiencing strong post-pandemic growth, including growth of approximately 17 percent during the immediate recovery period, followed by continued expansion of around 3 percent.

According to Mr. Sayed-Khaiyum, VAT is inherently regressive because it affects all consumers regardless of income. He argued that the increase has disproportionately affected lower-income households and small businesses while contributing to a widening gap between higher-income and lower-income groups.

He further noted that in 2023, individuals earning \$270,000 or more annually benefited from the removal of the Social Responsibility Levy, effectively receiving a 5 percent tax reduction, while ordinary consumers simultaneously faced higher VAT rates. He suggested that this highlighted inconsistencies in the overall tax policy framework.

Mr. Sayed-Khaiyum also raised concerns regarding what he described as excessive government expenditure on political and administrative priorities. He questioned ongoing spending on initiatives such as the Constitution Review Commission and other government-funded processes, arguing that scarce public resources could be directed towards more urgent economic and social priorities.

A significant part of his presentation focused on the need for more targeted government assistance. He advocated the establishment of a comprehensive national identification system, arguing that a modern national ID framework would allow government to better identify vulnerable households and deliver targeted support programmes more effectively.

According to Mr. Sayed-Khaiyum, better data systems would improve policy design and reduce inefficiencies in social assistance programmes.

On the issue of business confidence and labour shortages, he noted reports that approximately 1,000 work permit applications remain pending within the immigration system. He argued that businesses do not recruit foreign workers unnecessarily, but rather because they are unable to find suitably skilled workers locally. This, he suggested, reflects growing skills shortages and labour market distortions that require urgent attention.

He also criticised aspects of current investment policy, questioning the provision of generous tax concessions to certain foreign investors. He cited examples including long-term tax holidays granted to major foreign-owned enterprises and argued that similar support should be made available to local small and medium-sized businesses that collectively employ a substantial proportion of Fiji's workforce.

Mr. Sayed-Khaiyum further discussed land policy and investment certainty. He argued that commercial agriculture cannot flourish without secure long-term land tenure arrangements and noted that lease periods of only 30 years often make it difficult for farmers and investors to secure financing from commercial banks. He therefore advocated greater certainty and longevity in land lease arrangements while maintaining the constitutional requirement that landowners receive market-based returns.

In concluding, Mr. Sayed-Khaiyum argued that Fiji requires urgent fiscal adjustment measures, tighter control of operating expenditure, better-targeted social assistance, improved investment conditions and a renewed focus on productive economic activity. He stressed that government must first acknowledge the reality of Fiji's economic circumstances before it can effectively address them.

Key Messages:

- Fiji's fiscal deficit remains above 6 percent.
- Government expenditure increased from \$3.7 billion to \$4.8 billion.
- Operating expenditure now dominates the national budget.
- Public debt has increased by approximately \$2 billion.
- Public sector employment and wage costs have expanded significantly.
- VAT increases disproportionately affect lower-income households.
- More targeted social assistance is required.
- Labour shortages and skills gaps are constraining business growth.
- Greater certainty around land tenure is necessary to support investment.
- Fiscal discipline, expenditure restraint and productive investment must become national priorities.

Moderator Led Discussion

Following the conclusion of presentations, Moderator Mr. Apted facilitated a wide-ranging discussion that exposed significant differences between Panellists regarding the causes of Fiji's current economic challenges, the effectiveness of recent government policies, the role of governance and institutions and the country's future development trajectory.

The discussion was notable not only for the diversity of viewpoints presented but also for the extent to which the Panellists directly challenged each other's assumptions and policy prescriptions.

Government Response to Criticisms

Mr. Apted first invited Hon. Prof. Prasad and Hon. Kamikamica to respond generally to issues raised by the other Panellists.

Hon. Prof. Prasad emphasized that discussions regarding Fiji's current economic position needed to be grounded in the realities inherited by the Coalition Government in 2022. He stressed that Fiji emerged from the COVID-19 crisis with a debt-to-GDP ratio of approximately 91.8% and a fragile fiscal position.

He further argued that difficult revenue measures had been unavoidable if Fiji was to stabilize public finances. Among these measures was the rationalization of the VAT system. According to Hon. Prof. Prasad, the previous structure of 0%, 9% and 15% VAT rates created significant opportunities for revenue leakage. He estimated that leakages amounted to between \$400 million and \$500 million, with some businesses charging consumers at higher VAT rates while remitting taxes at lower rates.

He maintained that government's reforms had successfully increased revenue with growth exceeding 3% for three consecutive years.

Hon. Prof. Prasad further argued that the government's 2024-2025 budget had been deliberately expansionary and designed to strengthen household resilience ahead of external shocks. Measures such as minimum wage increases, social welfare expansion and targeted assistance programmes had been implemented specifically to create a buffer for households facing economic pressures.

While acknowledging that government could have managed the size of the civil

service and broader public sector more effectively, Hon. Prof. Prasad pointed out that the most immediate challenge confronting Fiji was not the result of domestic policy failures. Rather, it was the global fuel crisis arising from geopolitical developments in the Middle East.

According to Hon. Prof. Prasad, the current challenge was fundamentally different from COVID-19. Whereas COVID resulted in widespread unemployment, the present crisis was primarily a shock to affordability and livelihoods. The critical policy challenge was, therefore, how to share the burden of rising costs across society.



Hon. Kamikamica responds to a question during the moderator led session.

Economic Diversification and Long-Term Restructuring

Hon. Kamikamica similarly argued that the current challenges should not obscure the longer-term economic restructuring taking place.

He expressed confidence that the current global fuel crisis would eventually stabilize and argued that government should remain focused on transforming the economy rather than becoming distracted by short-term fluctuations.

Hon. Kamikamica reiterated that the government's strategy centred on rebuilding the economy around new growth sectors. He again highlighted the Business Process Outsourcing sector as one of the most promising developments in the economy.

According to Hon. Kamikamica:

- Approximately ten (10) BPO firms are already operating in Fiji.
- The sector currently employs around 8,000 workers.
- Foreign exchange earnings have already surpassed \$300 million.
- With appropriate policy support, the sector could eventually become a \$1 billion industry.

He also pointed to growing investor interest in agriculture, ICT and other productive sectors. Particular emphasis was placed on what he described as an investment pipeline now valued at approximately \$8 billion and continuing to grow.

Hon. Kamikamica cautioned against what he considered excessive pessimism. While

acknowledging current pressures, he argued that Fiji's underlying economic fundamentals remained strong and that significant opportunities existed if the country remained focused on long-term transformation.

Debt, Fiscal Discipline and Government Spending

One of the most substantive exchanges concerned debt management and fiscal policy.

Mr. Sayed-Khaiyum challenged the narrative that recent fiscal reforms had significantly improved Fiji's position. While acknowledging the reduction in the debt-to-GDP ratio, he argued that the nominal value of public debt had increased by approximately \$2 billion since 2022.

According to Mr. Sayed-Khaiyum, this raised questions about the effectiveness of revenue measures that had imposed additional costs on consumers while failing to significantly reduce overall debt levels. He argued that the primary problem was not revenue but expenditure.

Particular concern was expressed regarding the growth in operating expenditure. He noted that:

- Total government expenditure increased from approximately \$3.7 billion in 2022 to \$4.8 billion.
- Approximately \$3.9 billion of current expenditure was allocated to operating costs.
- The balance between operating and capital expenditure had shifted dramatically compared to previous years.

According to Mr. Sayed-Khaiyum, this shift reduced government's capacity to stimulate productive growth through infrastructure investment. He also criticized the rapid expansion of the public sector. Mr. Sayed-Khaiyum emphasized that civil service numbers had increased from approximately 34,000 employees in 2022 to around 38,000, while broader public-sector employment approached 42,000 individuals.

The resulting wage bill had increased from approximately \$1 billion to \$1.3 billion. In his assessment, these trends significantly constrained fiscal flexibility.

Governance and Institutional Integrity

Moderator Mr. Apted then turned the discussion towards governance issues raised by Mr. Chaudhry. The Moderator specifically asked Mr. Sayed-Khaiyum to comment on Mr. Chaudhry's argument that weaknesses in governance structures and constitutional accountability mechanisms contributed to Fiji's current challenges.

Mr. Sayed-Khaiyum concurred that good governance is essential under any government. He emphasised the importance of merit-based appointments, adherence to constitutional principles and institutional transparency. However, he challenged suggestions that governance concerns emerged only recently.

Citing an example, he referred to the removal of Public Service Commission members shortly after the Coalition Government assumed office. According to Mr. Sayed-Khaiyum, the Constitution required a formal tribunal process before Commissioners could be removed. To illustrate his point, he cited the case of Vishnu Mohan as an example of where constitutional procedures had allegedly not been followed.

Mr. Sayed-Khaiyum argued that confidence depends on consistent adherence to constitutional rules regardless of which government is in power. He maintained that governance frameworks create certainty and transparency, both of which are essential for investment and economic confidence.



Mr. Sayed-Khaiyum makes a point during the moderator led session

Exchange Rate Policy and the Fijian Dollar

One of the most animated debates involved Mr. Narube's suggestion that Fiji should consider measures to stabilize the Fijian dollar. Mr. Chaudhry strongly supported Mr. Narube's concerns.

According to Mr. Chaudhry, decades of currency depreciation had significantly contributed to rising living costs.

He recalled periods when:

- One Fijian dollar was worth approximately two New Zealand dollars.
- One Fijian dollar was approximately equivalent to one US dollar.

Mr. Chaudhry argued that repeated political instability and coups had contributed significantly to the depreciation of the currency. He contended that Fiji had lost approximately four decades of development as a consequence of political instability. Moreover, Mr. Chaudhry stressed that the country would be substantially more advanced today had those disruptions not occurred.

The discussion then broadened beyond exchange rates to national identity and migration.

Migration, Equality and National Cohesion

One of the interesting exchanges of the session centred on the causes of outward migration. Mr. Chaudhry argued that migration cannot be understood solely through economic variables.

According to him, many people leave Fiji because they perceive limited opportunities, unequal treatment and uncertainty regarding their future. He stated that Fiji still had not fully resolved fundamental questions regarding national identity, equal citizenship and equal opportunity.

According to Mr. Chaudhry, powerful interests continue to pursue sectional agendas rather than a genuine national agenda. Furthermore, he argued that until all citizens are treated equally and feel they have equal opportunities, outward migration will continue.

Mr. Chaudhry pointed to the irony that while large numbers of skilled Fijians continue to leave, employers increasingly rely on imported labour, including for relatively low-skilled occupations. He challenged policymakers to ask why local workers were leaving and why foreign labour was increasingly required to fill workforce shortages.

Narube's Response: One Nation, One Economy

Mr. Narube strongly agreed with Mr. Chaudhry's concerns regarding national cohesion. He argued that Fiji must increasingly think of itself as one nation rather than a collection of ethnic communities.

According to Mr. Narube, the future of the country depends upon strengthening national unity and reducing ethnic divisions. He stated that political leadership must take responsibility for fostering greater integration and cooperation.

Mr. Narube also expressed reservations regarding Hon. Kamikamica's references to an "iTaukei economy". While acknowledging the importance of improving indigenous participation in economic activities, he cautioned against conceptualising the economy along ethnic lines.

Mr. Narube emphasised that there is only one economy: the Fijian economy. He further stressed that economic policies should focus on sectors and opportunities rather than ethnicity.

While particular communities may dominate specific sectors, this should not result in separate economic frameworks being developed for different ethnic groups. Mr. Narube maintained that a national approach would better support social cohesion and long-term economic development.



Mr. Sayed-Khaiyum's Response

Mr. Sayed-Khaiyum also challenged attempts to frame economic development through ethnic lenses. He maintained that the Constitution already recognizes all citizens as Fijians and stressed that significant reforms had been undertaken to reduce ethnic divisions.

He contrasted the current electoral system with previous arrangements under which citizens voted primarily within ethnic categories. According to Mr. Sayed-Khaiyum, reforms introducing a common electoral roll and the principle of one person, one vote, one value were specifically intended to strengthen national unity. Moreover, he stressed that people at the grassroots level already interact naturally across ethnic lines, speak each other's languages and work together.

In his assessment, political leaders risk creating division when they excessively politicise ethnicity. He maintained that public debate should focus on policy performance rather than ethnic composition. Citing an example from social media, he observed that some commentators had recently highlighted the ethnic composition of Cabinet. According to Mr. Sayed-Khaiyum, such discussions miss the central issue, which should be whether policies are effective rather than the ethnicity of those implementing them.

Rebuttal on Economic Fundamentals

The discussion concluded with further disagreement regarding the state of Fiji's economic fundamentals. Hon. Prof. Prasad and Hon. Kamikamica maintained that the recent reforms had strengthened the economy and positioned Fiji for future growth despite current external shocks.

On the other hand, Mr. Narube disagreed by citing recent IMF assessments and arguing that many of Fiji's fundamental indicators remained weak.

According to Mr. Narube:

- Economic growth was slowing.
- Diversification remained limited.
- Trade performance remained weak.
- Fiscal vulnerabilities persisted.

While acknowledging opportunities in new sectors, Mr. Narube argued that optimism should not obscure the seriousness of current challenges.

The exchange highlighted one of the core tensions of the session: whether Fiji's recent reforms have fundamentally strengthened the economy or whether deeper structural weaknesses remain unresolved.



Mr. Vijay Narayan of Fijivillage (left) and SODELPA's Mr. Jolame Uludole (right) posing questions to the Panellists during a Question & Answer session

Question and Answer Session

Question(s)	Response(s)
<p>Dr. Mosmi Bhim, Fiji National University</p> <p>Question: We have heard that the size of the civil service and operating expenditure has increased drastically. As a result, it has also contributed to increased debt. Mr. Sayed-Khaiyum pointed out that in 2022, the size of the civil service was 32,000 and currently it is 38,000. But I heard in this forum that its actually 42,000. Is 38,000 currently the size of the civil service? Or is it 42,000? Perhaps, the media could clarify this with the Ministry of Civil Service?</p> <p>My question is related to the priorities that have historically been given to the iTaukei people on which sectors they should concentrate in terms of jobs. For example, the chiefs have always encouraged iTaukeis to join the service sectors, namely civil service, military, security sectors and so forth. Having said that, the size of our military has also increased. During the previous administration, it used to be 3,500 and now we've been told its more than 4,500. This does matter because it contributes to the operating expenditure and the higher risk of a future coup.</p> <p>The new report by the Fiji Commerce and Employers Federation (FCEF) highlights the skills shortages we have in this country. My question to Hon. Kamikamica is – <i>How can you reprioritize or encourage iTaukeis to change the mindset from the colonial times of focusing on the service and security sectors? Instead, they could be encouraged to take up jobs in the sectors where we currently have skills shortages in and for which we now have to import labourers from overseas?</i></p>	<p>Hon. Kamikamica, Deputy Party Leader, The People's Alliance and MP</p> <p>Response: I have to be very careful in responding because there seems to be a perception in the question that iTaukeis are focused on one profession or another. Therefore, we need to be careful about pigeonholing.</p> <p>I'll start with the first premise in your long question, which was the size of government. I've got a theory behind it. When we got into government, nurses were underpaid, and civil servants had not received a salary increase since 2017. Likewise for prison officers. There were no unions to advocate for that as things were suppressed.</p> <p>Last year, we recruited an additional thousand policemen because of crime and drug issues. In terms of the public sector, we have paid within the budget capability. We have paid people according to what they deserve, as opposed to being repressive.</p> <p>In terms of encouraging the iTaukeis to enter other professions, that is already happening already. As for the accounting profession, iTaukeis comprise only 14% of the membership of the Fiji Institute of Accountants. There is a concerted effort at the moment to increase membership because members of this profession have a significant influence on how the economy develops.</p> <p>These are some of the initiatives that are quietly taking place. With regards to the survey you mentioned, it emerged from discussions that began two years ago. It was the first genuine attempt to understand the labour shortage in this country.</p> <p>Before that, there had never been a comprehensive study on skill shortages. The first such study was undertaken by this government to identify where the shortages existed. What has this achieved?</p> <p>It has provided clarity to the Immigration Department regarding areas where labour shortages exist. I also acknowledge Mr.</p>

	<p>Sayed-Khaiyum's comments about the outstanding immigration permits. I am hopeful that the process can be accelerated because there is now a clear, evidence-based research identifying where the shortages are.</p> <p>We can also examine the education system and determine how it can help address the gaps that have been identified. I believe shortages were identified in 92 occupations.</p>
<p>Mr. Vijay Narayan, Fiji Village</p> <p>Question: This question is in relation to corruption and abuse of office.</p> <p>We had a constitution that came in 2013. For nine years, Mr. Sayed-Khaiyum, the Accountability and Transparency Commission, the Code of Conduct, and the Freedom of Information laws were not enacted. You were there for nine years after the constitution came in.</p> <p>In addition, Hon. Kamikamica and Hon. Prof. Prasad have been in government since December 2022. Those three laws that are in the constitution has still not been enacted. We are talking about the economy, but if there are corruption and abuse of office, we know where the wastage of our taxpayers' money will go. Why hasn't this been enacted?</p>	<p>Mr. Sayed-Khaiyum</p> <p>The previous government previously enacted the FICAC Act. It ratified the United Nations Convention against Corruption unreservedly. It also put itself up for the Peer Review Programme, which meant every year we would review by developing country and a developed country that came and assist our compliance. You are correct that the constitution talks about the Transparency Commission.</p> <p>We had tabled the Bill in 2018. The Committee took its time. By the time it was still doing its work, the 2018 elections took place. When a Bill is being considered and the Parliament then reconvenes after the election, it relapses. Therefore, you have to reintroduce that into Parliament. We had COVID at the end of 2019. But we had enacted the Freedom of Information Act.</p> <p>The Constitution actually is a provision, and right to information and freedom of information provisions are already there.</p> <p>FICAC is there. Indeed, the Transparency Commission actually would have helped. Unfortunately, during COVID, we did not do that because there was no fiscal space to undertake that. In 2022, we came out of COVID and the government needed to introduce that particular bill.</p> <p>It brings about a new level of accountability. It extends also to board members. As we have seen, a lot of the board member positions are occupied by people who are failed candidates of various political parties. We have also seen the competency levels. So that has a huge impact.</p> <p>The ball lies in the current government's court to introduce that particular bill. In fact, the organization that was going to implement</p>

	<p>that was the Transparency Commission. For example, if I applied for a taxi permit and I did not get it under the Freedom of Information Act, I have a right to know as to how the decision was made or what steps were taken to arrive at the decision.</p>
<p>Mr. Ram Bajekal, CEO Golden Manufacturers</p> <p>Question: In terms of the gloom and doom being spoken about here and what I see as the ground realities, if you go to Holiday Inn on a weekend - or any evening during the week - you seldom get a chair to sit on. <i>Is that a sign of income disparity? Is it a sign of consumerism? Or is it simply a sign that we are not really talking economy?</i></p> <p>If you look at the media, there is constant discussion about commissions, investigations and other issues – everything except the economy.</p> <p>What spurs business people is seeing stories about the economy and understanding what is happening on the ground. There is also a fear of missing out; if something positive is happening, people do not want to miss the wave.</p> <p>However, it can feel quite gloomy when much of the messaging coming from government is non-business and non-economy related. <i>How are we going to change that?</i></p> <p>If we are discussing the state of the Fijian Economy and how we can improve it, perhaps that is something that needs to change.</p> <p>My question to Hon. Prof. Prasad and Mr. Narube is this: <i>When I look around, the number of cars on the road has not decreased, roll-on/roll-off vehicle imports have not declined, and places such as Grace Road and Holiday Inn are full. Yet, at the same time, we are told that the economy is slowing</i></p>	<p>Mr. Narube:</p> <p>You can find that at Holiday Inn but I urge you to go to the market and the streets. That is where you will see the actual signals of the economy.</p> <p>You can see poverty visibly over there. That is where you will see some of the competing different signs of the economy. On debt to GDP, they are related, but very different.</p> <p>The Government is a big sector and employs 38,000 people. Therefore, it a major mover and shaker of the economy. The spending on infrastructure moves the economy. Having said that, if your revenue falls short, then you have to borrow. That is the borrowing aspect we are talking about. How sustainable is your debt? It depends on how good your revenue would be.</p> <p>Hon. Prof. Prasad:</p> <p>The point made by Mr. Ram Bajekal was important. The conversation has to be about the economy as well.</p> <p>We have not concentrated on talking about the positives in the economy and what could be done and what could not be done. Therefore, the indicators are very important.</p> <p>Let me point out the last three budgets:</p> <ul style="list-style-type: none"> ● The debt-to-GDP ratio was 91.8% when we came into government. That is a very important indicator. That is an indicator used to measure debt sustainability and so forth. ● We undertook tax reforms. We undertook revenue reforms. We undertook policy reforms as well. ● We were able to bring down the debt-to-GDP ratio while maintaining the expenditure that was needed post-COVID. Because people were still rebuilding their incomes, rebuilding their livelihoods, etc. post-COVID. ● When we came into government, we continued with some of those policies

<p>down. Is there really a dichotomy?</p>	<p>and rebuild lives and affordability of people. In the process, we were able to deliver three consecutive years of growth and three consecutive years of lower deficit than what we had in 2023.</p> <ul style="list-style-type: none"> • This year, the deficit is going to increase because of the crisis. The RBF Governor rightly pointed out that the growth rate is going to be halved from 3% to 1.5%. That is the situation.
<p>Mr. Jolame Uludole, SODELPA</p> <p>Question: If you were the Minister of Finance today, or for the next year, what would you do to reduce the national debt and boost GDP growth?</p>	<p>Mr. Chaudhry:</p> <p>I was only given 12 months. And in those 12 months, I posted a 9.6% economic growth, brought down the cost of living, reduced telecommunication charges and reduced electricity tariff.</p> <p>I asked the Fiji Electricity Authority (now Energy Fiji Limited) to light up our streets at night without any cost to the local authorities. We posted the highest revenue ever and lowest operating expenditure. Our record speaks for itself. That is our 12-month record, unprecedented and unbeaten.</p> <p>Mr. Sayed-Khaiyum:</p> <p>If I was the Minister of Finance for the past two years, we would not be in this situation today. We would have had the fiscal space. One of the major things we would do is to cut back on operating expenditure.</p> <p>When you borrow money for specific productive purposes or respond to a major crisis like COVID, it is not a bad use of money, as long as you can meet the repayments and have sufficient fiscal space to respond in the event of an unexpected crisis. We had 12 cyclones in 13 years.</p> <p>We had the largest cyclone that hit landfall in the Southern Hemisphere, which was Cyclone Winston. It wiped off one third of our GDP in 36 hours. Therefore, we had to rebuild schools, infrastructure and so forth. We spent over \$500 million. Notwithstanding that, we still had the capacity to respond. We borrowed money because we had to deal with the crisis.</p> <p>As Hon. Prof. Prasad highlighted, there was a downward trend in growth in 2019. Then COVID struck. But prior to that, Fiji had experienced nine years of consecutive growth.</p>

	<p>Therefore, as a Minister responsible for the Economy, you need to maintain sufficient fiscal space. You need to cut back and, at this stage, I would focus on reducing expenditure.</p> <p>I would also target spending towards those on the margins of society. When I refer to the margins of society, I do not necessarily mean only those receiving social welfare. A person earning between \$20,000 to \$25,000 a year may be supporting a spouse and three or four kids while facing rising living costs. These are also people who need support.</p> <p>Fortunately, the current income tax threshold means that anybody earning less than \$30,000 does not pay tax.</p> <p>There are various ways in which the government can address these challenges. My key priorities would be:</p> <ul style="list-style-type: none"> ● Reduce expenditure drastically. ● Remove some of the benefits given to large, wealthy companies, while stimulating Fijian businesses. ● Provide targeted assistance to the marginalized. <p>Moreover, I would engage with our development partners and present a clear economic plan for the next three to four years. We will stick to it, put in place laws to measure those benchmarks and hopefully, secure funding to help get us out of this rut.</p>
<p>Ms. Barbara Malimali, former Commissioner, Fiji Independent Commission Against Corruption (FICAC)</p> <p>Question: I was in the Western Division for the last three weeks, and we noticed a significant amount of roadworks underway, particularly bridges and roads being fixed.</p> <p>Following the 2022 General Elections, the Joint Report suggested that the government enter a caretaker mode with regards to expenditure during the election period. Under such arrangements, the government would generally seek guidance through the Electoral Commission on proposed spending and</p>	<p>Mr. Chaudhry:</p> <p>Yes, there should definitely be more monitoring. The current government must be in the shape of a caretaker government and their expenditure must be scrutinized. The Electoral Commission must play a productive role in this because there is no doubt that we see instances of vote buying.</p> <p>Clearly, they are vote buying under the disguise of assisting the people, but the real intent behind that is to win their votes. Hence, there has to be a scrutiny of that.</p> <p>Hon. Prof. Prasad:</p> <p>The issue is the parliament is not dissolved yet. In the previous constitutions, there was a provision for a caretaker government. There is none in this constitution, not even in the electoral law. The electoral laws have</p>

<p>whether it is appropriate.</p> <p>Do we allow it? Or do we not? My question to the Panellists is: <i>With eight months to go for the elections, should we be spending so much?</i></p> <p>Should we seek appropriate guidance from the Electoral Commission on government expenditure for the sake of transparency and anti-corruption? We have observed that fishing boats are being given out, together with cake cutting and salusalu. The idea is to keep the government accountable.</p> <p>Bearing in mind that this is a three-party Coalition Government, should all significant expenditure decisions be referred to the Electoral Commission for review before funds are committed? In other words, should this spending decision be checked with the Electoral Commission?</p>	<p>provisions which essentially has kicked in the campaign period.</p> <p>Hence, there are campaign laws and provisions that define what the political parties and people who aspire to be members of parliament need to keep in mind. Therefore, there are provisions that govern that. I don't think the government is in a caretaker mode. Having said that, it can only be, as a matter of principle, be in a caretaker mode after the parliament is dissolved.</p> <p>Mr. Narube:</p> <p>The law is silent on accountability. It does not require accountability of government that is in place to advice an independent body to examine its policies.</p> <p>It's vote buying with our money. I would welcome if there are any reforms that allow all political parties, particularly in government, to show us what they are spending their money on.</p>
<p>Mr. Rajendra Prasad, The University of the South Pacific</p> <p>Statistics from The World Bank highlighted that 19% of our youths are neither in education or in employment. <i>What is the proposition for them today?</i></p> <p>I am not worried about what happens in 20 years. <i>What is happening to them today?</i></p> <p>The media recently reported that there are doctors out there who are interns. They have no idea if they will be posted. <i>What is the solution for them? While we are all trying to create an investor-friendly environment, what are we doing to stop the brain drain? As a young person, what is there for me in ten years down the line that I should put all my money here?</i></p> <p>Question to the two representatives of the Coalition Government: <i>You say you have done a lot but why is the narrative amongst the</i></p>	<p>Mr. Chaudhry:</p> <p>Youth unemployment has been our problem for a long, long time.</p> <p>I think 19% is probably understated. More than 19% of our youths are unemployed or are not in any form of educational institutions. With regards to the doctors who are awaiting posting and the interns in the various hospitals, there is no reason why they should be kept waiting to be posted to hospitals.</p> <p>In the past, going back to the colonial days, these doctors, after saving their internship, were guaranteed automatic employment. We are short of doctors. People are crying out that there is doctor shortage in the clinics and hospitals that they visit. Why is this not being attended to?</p> <p>These doctors should be employed. There is no reason why they should be begging the government to be placed on permanent employment.</p> <p>Mr. Narube:</p> <p>We understand the challenges around the</p>

<p><i>common people so harsh? Why do I keep hearing these words "Indians, go back to India"? I didn't used to hear that before.</i></p> <p><i>Your ideas and policies might be great on book. But how practical are they? How is it affecting the mindset of the common people? And how is it affecting the trust amongst people?</i></p>	<p>youth, notably social challenges and jobs. Jobs mean we grow the economy in all its potential. At this stage, the economic growth is lower than 2%. In terms of full employment, we need to think about achieving 4%-5% growth. That is a big gap. Hence, we need policies to promote more economic growth for youths.</p> <p>Education is also fundamental for youth development. We need to look at the incentives that create opportunities for youths to acquire education.</p>
<p>Riyaz Sayed-Khaiyum, former CEO Fijian Broadcasting Corporation</p> <p>Comment: Hon. Prof. Biman Prasad's earlier comments need some correction. He said that essentially that no one was victimized after the government was formed in December 2022. And that no one was forced to do anything. He is either very economical with the truth or he is ignorant because it did happen.</p> <p>In fact, I can count a couple of people in this room who were victims of the change of government, including myself. I was terminated without reason and till today, I don't have a reason. Hence, it was political.</p> <p>Everyone knows there was a witch hunt and it continued for a long time. In fact, one of the reasons why this government lost track of the economy is because they were busy with the witch hunt. And the irony today is the people who took part in the witch hunt, including members of the present government, became victims of the witch hunt themselves.</p>	<p>Hon. Prof. Prasad:</p> <p>I know you must have gone through personally. But as far as we are concerned, we are looking at the practice of politics. Yes, there may be differences of opinion when people were moved in or out as a new government took office. I can talk about my own ministries and the people who were there and the way in which we treated and respected them.</p> <p>Some of them are still there. But generally, as a matter of practice of politics, we wanted to change that. And, there has been a lot of change in that.</p> <p>There may be elements of change that some people are not happy. There may be instances of individuals that may have perceived the removal or reappointment with that kind of perception. So, I take your point there.</p>
<p>Ms. Fay Volatabu, Executive Director – femLINKpacific</p> <p>Question: We have been undertaking a great deal of training for women. One of the messages that we discuss is that when more women are in leadership positions, organizations often benefit from stronger</p>	<p>Mr. Chaudhry:</p> <p>I agree that there should be more women participation in Parliament. It is for the political parties to accept that and ensure that they have a threshold in terms of women participation as candidates. Therefore, it is a matter that needs to be handled by the political parties themselves.</p>

financial performance, greater inclusiveness and better decision making.

Why aren't there more women in parliament? There is currently only five women in Parliament, representing 9.1% of MPs. Only 29% of women are permanent secretaries. My question to the current government is: What measures will you take to ensure that more women are represented in Parliament and within political parties?

The discussion today on the state of the economy has largely been led by men. My challenge to you is this: Would you be able to make better policies for women to participate in your government, and your political parties?

There was also a recommendation from the Electoral Commission reform process.

Mr. Narube:

Women have an important role to play, but there are more words than any actions in this space.

I have come across lots of seminars and workshops on women in politics, but hardly find any kind of indicators that that is actually happening. We welcome more participation from women, and we certainly look at various measures that we can help achieve that.



BREAKOUT DIALOGUE FINDINGS AND RECOMMENDATIONS

Overview

A key feature of the State of the Fijian Economy Dialogue 2026 was the series of facilitated breakout dialogue sessions designed to move participants beyond problem identification towards practical policy solutions. Participants engaged in structured discussions on economic growth and productivity, cost of living and household wellbeing, fiscal sustainability and public debt, labour and migration, governance, and national development priorities.

While participants were assigned to different thematic groups, several common concerns emerged consistently across all discussions.

Lead Facilitator Florence Swamy, Executive Director at the Pacific Centre for Peacebuilding (PCP), observed that regardless of the thematic focus of individual groups, participants repeatedly returned to issues of fiscal discipline, public debt, governance, accountability, education reform, workforce readiness, migration, social cohesion and the rule of law. Participants widely acknowledged that Fiji's economic challenges are interconnected and require coordinated responses across government, private sector and community actors.



Lead Facilitator and Executive Director at Pacific Centre for Peacebuilding, Ms. Florence Swamy, guiding participants during a breakout dialogue session

A recurring message throughout the discussions was the need for responsible public expenditure management. Participants repeatedly emphasised that government spending must be aligned with national priorities and available resources. One participant captured this sentiment by stating: "If it's not in the budget, don't spend it". This phrase became a recurring reference point during discussions on fiscal discipline, debt sustainability and governance.

Cross-Cutting Findings

Several themes emerged consistently across all breakout groups:

- Concerns regarding rising public debt and the long-term sustainability of government borrowing.
- Calls for stronger fiscal discipline and improved expenditure management.
- The importance of good governance, transparency, accountability and adherence to the rule of law.
- Concerns regarding workforce shortages, outward migration and skills gaps.
- The need for education reform and stronger alignment between education systems and labour market demands.
- Growing pressure from the rising cost of living on households and businesses.
- The importance of agriculture, food security and reducing dependence on imports.
- The need for stronger social cohesion, racial harmony and community resilience.
- Concerns regarding the impacts of drug use, HIV and other social challenges on workforce participation and productivity.
- Recognition that economic growth alone is insufficient unless it translates into improved living standards and opportunities for ordinary citizens.

Theme	Group 1	Group 2	Group 3	Overall Prominence	Level Conse
<i>Fiscal Discipline & Public Debt</i>	✓	✓	✓	Very High	★★★★
<i>Governance & Rule of Law</i>	✓	✓	✓	Very High	★★★★
<i>Education & Skills Development</i>	✓	✓	✓	Very High	★★★★
<i>Cost of Living Pressures</i>	✓	✓		High	★★★★
<i>Economic Growth & Productivity</i>		✓	✓	High	★★★★
<i>Labour Shortages & Migration</i>		✓	✓	High	★★★★
<i>Agriculture & Food Security</i>	✓		✓	High	★★★★

Social Cohesion & Community Wellbeing	✓			Moderate	
Drug & HIV Impacts	✓			Moderate	



Participants deliberating during a breakout group dialogue session

Economic Growth and Productivity

Participants identified political instability, institutional weaknesses, land and resource management challenges, and inefficiencies in decision-making processes as significant constraints to economic growth. There was broad agreement that lengthy administrative processes and regulatory barriers continue to impede investment and economic activity.

Participants also highlighted concerns regarding declining productivity levels and insufficient diversification of the economy. While tourism remains an important economic driver, participants emphasised the need to strengthen other productive sectors to reduce economic vulnerability.

Key Findings

- Political and institutional uncertainty continue to affect investor confidence.
- Administrative inefficiencies and bureaucratic delays discourage investment.
- Economic growth remains concentrated in a limited number of sectors.
- Productivity levels remain below potential.
- Indigenous entrepreneurship and innovation remain underutilised.

Recommendations

- Streamline government approval and licensing processes through integrated one-stop-shop service models.
- Prioritise agriculture, agro-processing and food security initiatives to reduce import dependence.

- Strengthen support for MSMEs and indigenous-owned enterprises.
- Invest in productivity-enhancing infrastructure and digital transformation initiatives.
- Promote commercialization of local innovation, indigenous knowledge and emerging industries.

What Participants said matters most

- Support MSMEs and local entrepreneurship
- Invest in agriculture and food security
- Diversify the economy
- Streamline business and investment processes



Cost of Living and Household Wellbeing

Rising living costs emerged as one of the most urgent concerns affecting households across Fiji. Participants identified increasing fuel prices, housing costs, food prices, transportation expenses and reliance on imported goods as major contributors to financial hardship.

Discussions highlighted that low-income households, unemployed persons, urban communities and vulnerable groups are disproportionately affected by cost of living pressures. Participants also noted that wage growth has not kept pace with increases in the prices of essential goods and services.

Key Findings

- Rising food, fuel, housing and transportation costs continue to place pressure on households.
- Minimum wages are not keeping pace with inflation and living costs.
- Vulnerable households are disproportionately affected by economic pressures.
- Financial literacy challenges contribute to household financial vulnerability.
- Import dependence exposes Fiji to external price shocks.

Recommendations

- Strengthen targeted support programmes for vulnerable households.
- Regularly review wage levels in line with cost-of-living pressures.

- Expand financial literacy and household budgeting programmes.
- Promote local food production, backyard farming and import substitution initiatives.
- Support economic diversification and job creation opportunities in both urban and rural communities.

What Participants said matters most

- Address rising food and fuel prices
- Improve housing affordability
- Support vulnerable households
- Expand financial literacy and budgeting support



Fiscal Sustainability and Public Debt

Public debt and fiscal sustainability generated some of the most robust discussions during the dialogue. Participants expressed concern regarding Fiji's increasing debt burden, narrowing fiscal space and the long-term implications for future generations.

There was widespread agreement that debt reduction should be prioritised alongside economic growth objectives. Participants emphasised that borrowing should be linked to productive investments that generate long-term economic returns.

Key Findings

1. Public debt levels are a significant concern for many participants.
2. Rising operational expenditure is reducing fiscal flexibility.
3. Fiji remains vulnerable to external shocks and natural disasters.
4. Participants expressed concerns regarding long-term debt sustainability.
5. Greater transparency and accountability in public expenditure are required.

Recommendations

1. Develop and implement a clear medium-term debt reduction strategy.
2. Reduce unnecessary operational expenditure and improve spending efficiency.

3. Prioritise productive capital investments over recurrent expenditure.
4. Strengthen internal and external auditing mechanisms.
5. Improve public transparency regarding budget allocations and expenditure outcomes.

What Participants said matters most

- Reduce unnecessary government expenditure
- Improve spending efficiency
- Prioritise productive capital investments
- Strengthen debt management and fiscal discipline



Labour, Skills and Migration

Participants identified workforce shortages and outward migration as major economic challenges. Significant shortages were reported in construction, healthcare, education, technical professions and other skilled occupations.

Participants noted that many graduates enter the workforce without adequate practical experience and that education systems are not always aligned with labour market needs. Outward migration was linked to perceptions of greater economic opportunities, improved services and higher living standards abroad.

Key Findings

1. Skills shortages are affecting multiple sectors of the economy.
2. Outward migration is reducing the availability of skilled workers.
3. Graduates are often not sufficiently work-ready.
4. Education and training systems require stronger alignment with industry needs.
5. Labour market planning remains inadequate.

Recommendations

1. Strengthen technical and vocational education and training pathways.
2. Expand industry placements, internships and work-integrated learning programmes.

3. Improve workforce planning and labour market forecasting.
4. Invest in continuous professional development and upskilling initiatives.
5. Create incentives to retain skilled workers and attract returning professionals.

What Participants said matters most

- Address critical skills shortages
- Improve workforce readiness
- Strengthen industry-training partnerships
- Invest in upskilling and retention of skilled workers



Governance, Institutions and Economic Confidence

Governance and institutional effectiveness were repeatedly identified as critical determinants of economic confidence and national development outcomes. Participants emphasised the importance of policy consistency, accountability, transparency and adherence to the rule of law. Discussions highlighted concerns regarding perceived inefficiencies, uncontrolled spending and governance weaknesses that undermine public trust and investor confidence.

Key Findings

1. Good governance is essential for economic confidence and sustainable development.
2. Rule of law and institutional credibility remain critical foundations for investment.
3. Participants expressed concerns regarding uncontrolled public expenditure.
4. Public confidence is strengthened through accountability and transparency.
5. Social cohesion contributes to economic stability and resilience.

Recommendations

1. Strengthen governance, transparency and accountability mechanisms across public institutions.
2. Ensure consistent adherence to the rule of law and judicial independence.
3. Improve public sector efficiency and performance management systems.
4. Enhance citizen participation and public consultation in policy development.

5. Promote greater transparency in public expenditure and procurement processes.

What Participants said matters most

- Uphold the rule of law
- Strengthen transparency and accountability
- Improve governance standards
- Ensure consistent and fair decision-making



Social Cohesion and Community Wellbeing

Participants highlighted the important relationship between social cohesion and economic development. Strong communities, social trust and racial harmony were viewed as essential foundations for long-term stability and prosperity. Several groups also raised concerns regarding the growing impact of drugs, HIV and other social challenges on workforce participation, family wellbeing and community resilience.

Key Findings

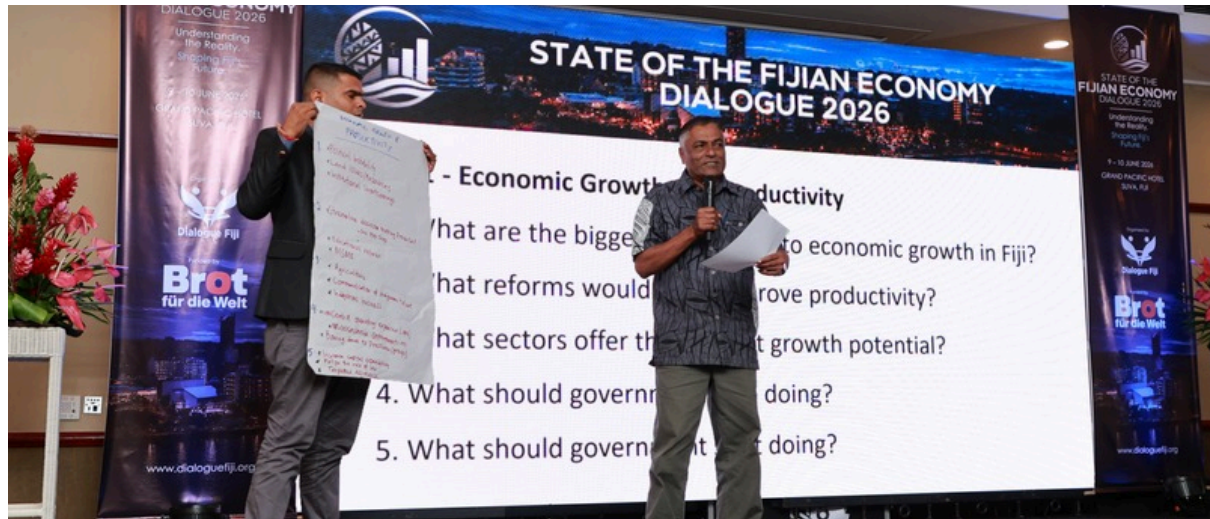
1. Social cohesion contributes directly to economic resilience.
2. Drug use and related social challenges are affecting productivity and communities.
3. Strong family and community structures remain important protective factors.
4. Community safety and trust influence economic participation.
5. Social inclusion is critical to sustainable development.

Recommendations

1. Strengthen community-based prevention and awareness programmes.
2. Expand access to rehabilitation and support services.
3. Promote initiatives that strengthen social cohesion and racial harmony.
4. Support youth engagement, mentorship and leadership programmes.
5. Encourage collaborative approaches involving government, communities and civil society.

What Participants said matters most

- Promote social cohesion and racial harmony
- Address the impacts of drugs and HIV
- Support youth development initiatives
- Strengthen community resilience



Facilitator Reflection – Ms. Florence Swamy - Executive Director, Pacific Centre for Peacebuilding

The breakout dialogue sessions demonstrated a strong convergence of views across stakeholder groups regarding Fiji's most pressing economic and social challenges. While participants approached issues from different perspectives, there was broad agreement that fiscal discipline, effective governance, workforce development, economic diversification, social cohesion and adherence to the rule of law are essential foundations for Fiji's long-term prosperity.

Participants consistently emphasised that sustainable economic development requires balancing fiscal responsibility with strategic investment, strengthening institutions, supporting private sector growth, and ensuring that economic gains translate into improved wellbeing for ordinary Fijians. The recommendations generated through the breakout sessions provide a practical and evidence-based contribution to national discussions on Fiji's economic future and the policy choices required to achieve inclusive, resilient and sustainable development.



CONCLUSION

The State of the Fijian Economy Dialogue 2026 brought together a diverse range of voices to undertake a frank and evidence-based examination of Fiji's economic realities. Over the course of two days, participants engaged in robust discussions on the country's macroeconomic outlook, fiscal sustainability, public debt, cost of living pressures, private sector development, labour mobility, migration, infrastructure, governance and national development priorities.

While participants often differed in their assessments of the causes of Fiji's economic challenges and the most appropriate policy responses, a number of important themes emerged consistently throughout the dialogue.

First, there was broad recognition that Fiji has successfully recovered from the immediate economic impacts of the COVID-19 pandemic. However, there was also widespread acknowledgement that recovery alone is insufficient. The country now faces the more difficult challenge of transitioning from recovery to sustained, inclusive and productivity-driven growth.

Second, concerns regarding fiscal sustainability featured prominently throughout the discussions. Participants repeatedly highlighted rising public debt, persistent budget deficits, declining fiscal space and the growing share of government expenditure devoted to recurrent costs. While differing views were expressed regarding the appropriate pace and method of fiscal consolidation, there was broad agreement on the need to improve the quality and effectiveness of public expenditure and to ensure that borrowing increasingly supports productive investment.

Third, the dialogue highlighted the growing pressures facing ordinary Fijians. Rising food prices, transport costs, housing expenses and broader cost of living pressures were identified as major concerns affecting households across the country. Participants emphasised the importance of ensuring that economic growth translates into tangible improvements in living standards and that vulnerable groups receive adequate support during periods of economic uncertainty.

Fourth, labour mobility, outward migration and workforce shortages emerged as some of the most significant structural challenges confronting Fiji. Concerns were raised regarding the loss of skilled workers, difficulties faced by businesses in recruiting labour and the broader implications for productivity, service delivery and long-term economic growth. Participants stressed the importance of improving education, skills development, working conditions and economic opportunities to retain and develop human capital.

Fifth, there was strong consensus that the private sector must play a central role in driving future economic growth. Discussions repeatedly emphasised the need to improve the business environment, reduce unnecessary regulatory barriers, strengthen investor confidence, address infrastructure constraints and support entrepreneurship and innovation. Participants also highlighted the critical importance of creating conditions that encourage both domestic and foreign investment.

A recurring theme throughout the dialogue was the need for greater productivity. Across sectors, speakers noted that Fiji's long-term prosperity will depend not only on increasing investment but also on improving the efficiency with which resources are utilised. This includes improving public sector performance, strengthening institutions, enhancing workforce skills, adopting new technologies and supporting higher-value economic activities.

The discussions also underscored Fiji's continuing vulnerability to external shocks. Global economic uncertainty, geopolitical tensions, fuel price volatility, climate change and natural disasters continue to pose significant risks to economic stability. Participants highlighted the importance of building economic resilience, strengthening fiscal buffers and investing in infrastructure capable of supporting long-term development.

Importantly, the dialogue demonstrated the value of inclusive and constructive engagement on national economic issues. The event brought together individuals and organisations representing a wide range of perspectives, including government, opposition parties, development partners, academia, the private sector, civil society and citizens. While disagreements were evident, participants engaged respectfully and constructively in pursuit of a shared objective: improving Fiji's economic future.

The breakout group discussions further enriched the dialogue by providing participants with an opportunity to deliberate on key challenges and propose practical recommendations. These recommendations reflected a strong desire for policy responses that are evidence-based, inclusive, fiscally responsible and focused on improving the lives of ordinary Fijians.

Ultimately, the dialogue reinforced the reality that Fiji's economic challenges are complex and interconnected. There are no simple solutions. However, the discussions also demonstrated that there is considerable expertise, experience and goodwill available to support the country's development journey.

The State of the Fijian Economy Dialogue 2026 succeeded in providing a much-needed macroeconomic reality check, creating space for informed national discussion and generating a substantial body of recommendations for consideration by policymakers and stakeholders. It is hoped that the insights, recommendations and reflections contained in this report will contribute to ongoing policy discussions and support efforts to build a more prosperous, resilient, inclusive and sustainable future for all Fijians.





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