

Fiji Economy Update

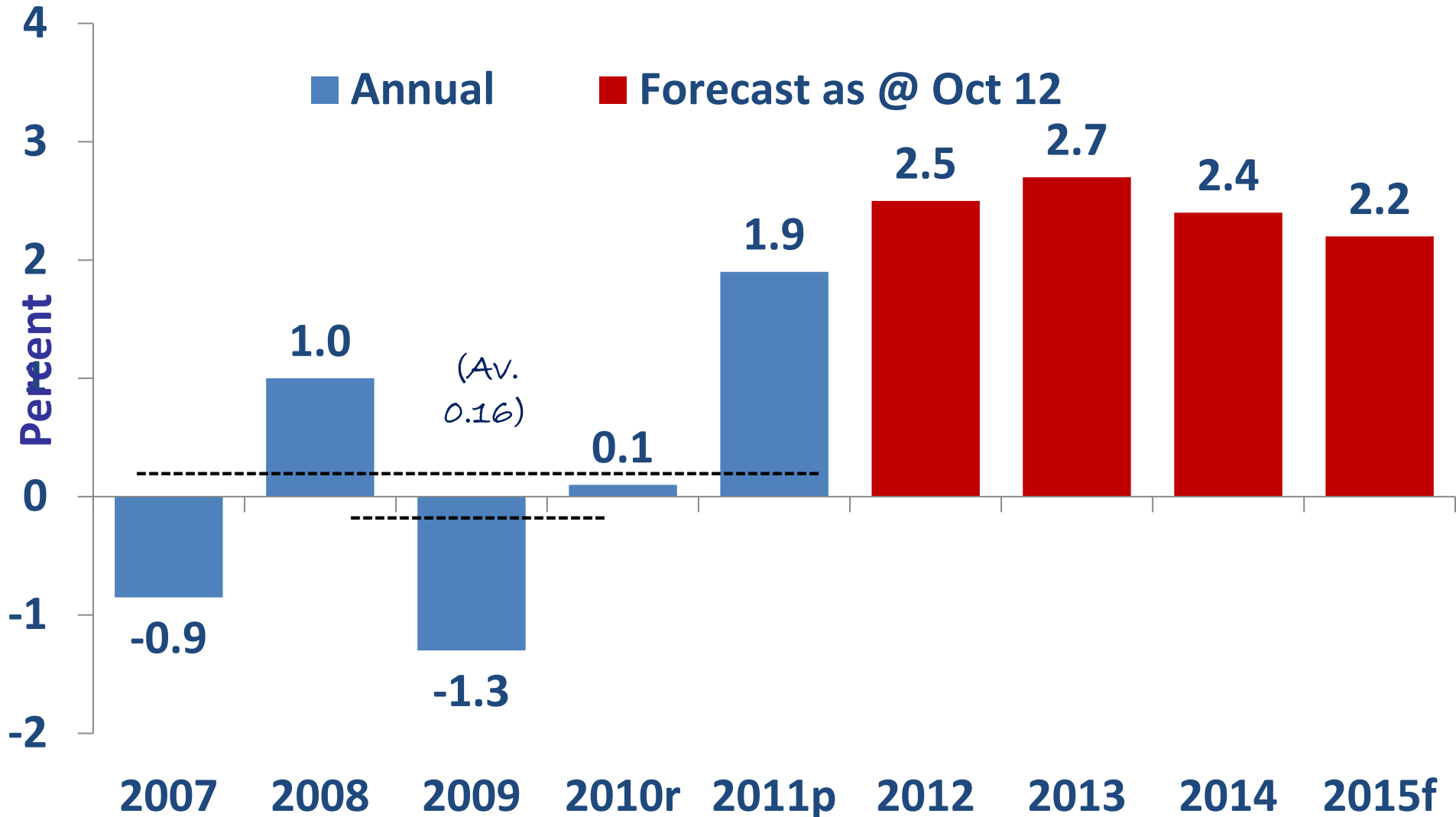
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Average Growth Rates in Fiji: 1970-2012

- In the last 40 years- 2.9%
- 1970s- 6.5%
- 1980s- 0.8%
- 1990s- 3.2%
- 2000s- 1.1%
- Average 2007-2011- 0.16%

GDP GROWTH 2007-2015

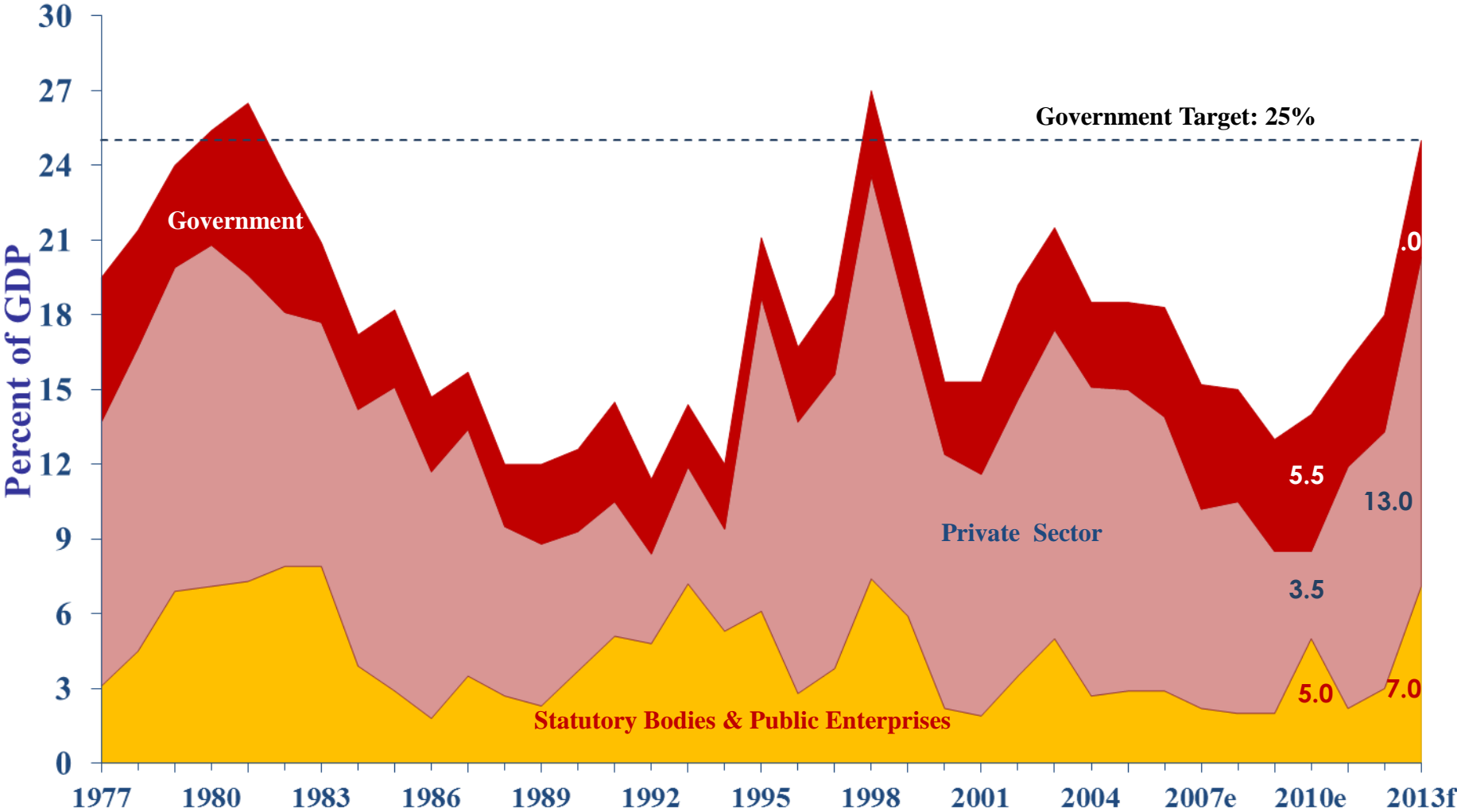


Sources: Prasad (2013); Fiji Bureau of Statistics, Reserve Bank of Fiji and Macroeconomic Committee

Sectoral contribution to GDP growth – 2009-2012

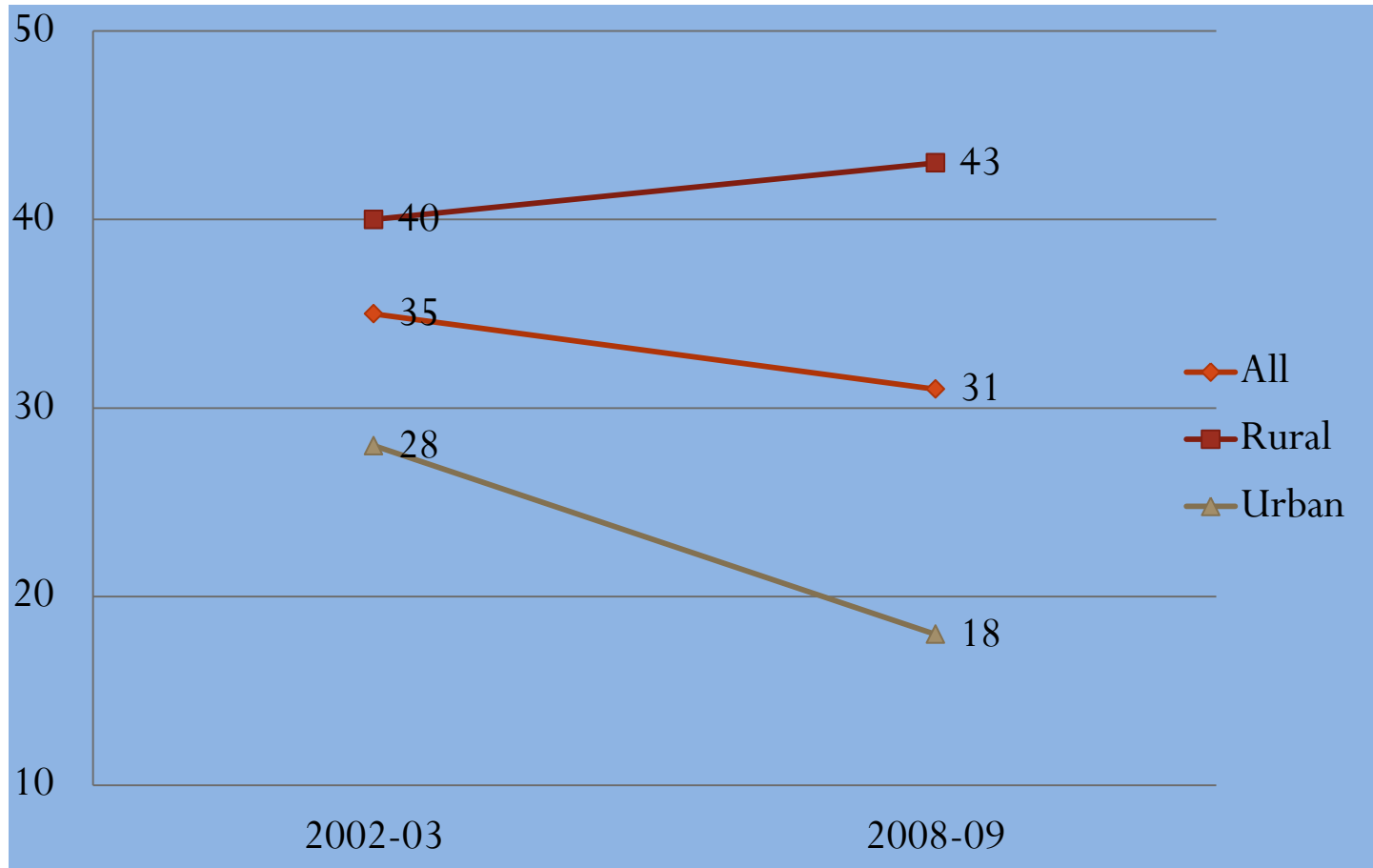
Sector	2009	2010	2011	2012
Agriculture	-1.4	-0.8	1.2	0.0
Forestry	-0.08	0.27	-0.15	-0.10
Fishing	-0.41	-0.01	0.33	0.24
Mining and Quarrying	0.22	0.11	-0.06	0.06
Manufacturing	-0.31	0.45	0.23	0.62
Electricity and water	0.38	0.27	0.10	0.03
Construction	-0.36	0.19	0.01	0.19
Wholesale and retail	-0.68	0.07	-0.36	0.28
Hotels and Restaurants	0.11	0.65	0.30	0.16
Transport and Communication	1.32	-0.28	0.01	0.20

INVESTMENT



Sources: Prasad (2013) Fiji Bureau of Statistics & Reserve Bank of Fiji

Incidence of Poverty



Source: HIES 2002/03 and HIES 2008/0.9

Recent estimates of some of the indicators and the real story!

- 2010-11 GDP barely above the levels in 2005, formal sector employment has not grown for the last six years and indeed has gone backwards, while more and more young people have been joining the workforce;
- Employment creation has been in the informal sector and family enterprises, with low incomes and low hours/days of work;
- Some 20,000 women have left being full-time housewives to try and make ends meet within the households;
- Underemployment has grown quite significantly and amounts to around 33% of the Labour Force;
- The 15 to 19 age group is particularly extremely under-employed (they are idle some 60% of their working time) (hence their involvement in crime)

National Employment Centre Data (2010-2012)

	2010	2011	2012	TOTAL 2010 - 2012
1. REGISTRATION	9,549	13,283	3,696	26,528
2. COUNSELLING	3,825	9,976	2,512	16,313
3. APTITUDE ASSESSMENT	3,338	9,976	2,510	15,824
4. LIFE SKILLS TRAINING	2,351	5,431	1,149	8,931
5. EMPLOYMENT SKILLS TRAINING	152	2,360	184	2,696
6. VOLUNTEER SERVICE	14	242	80	336
7. WORK ATTACHMENTS	72	1,012	656	1,740
8. PERMANENT EMPLOYMENT	145	444	815	1,404
9. FOREIGN EMPLOYMENT	-	1	5	6
10. SMALL BUSINESS EMPLOYMENT	-	1	7	8
11. MOU from EMPLOYERS	-	139	87	226
12. NEC AWARENESS			53	249

Recent estimates of some of the indicators (Cont...)

- Nominal incomes have not risen much in the last six years while the CPI (inflation) has risen by more than 30%) i.e. real incomes of nearly everyone has fallen by than 30% (many groups especially in rural areas, have declined by even more than that)
- The Incidence of Poverty has increased by almost 50% right across the board, i.e. is now more than 45% and approaching 50% compared to 31% in 2008-09.
- Only positive areas are remittances and tourism is sustaining real incomes.
- The public debt has increased from \$2 billion in 2006 to about \$5 billion in 2012.
- Foreign debt has more than tripled unnecessarily, increasing our foreign exposure; and some at very high interest rate of 9% when IMF was lending the money at 2%.
- Contingent liabilities of government (ie. What government is guaranteeing for public enterprises) is also sky-rocketing: FSC, FDB, FNPF, Air Pacific etc more than \$2 billion (what levels, nobody really knows).

Thank you