



NATIONAL FEDERATION PARTY

Our People's Future



**Address by the leader of the National Federation Party,
Professor Biman Prasad at the meeting of the Movement for
Democracy in Fiji at Mt Roskil Community Hall, Auckland,
New Zealand at 3.30pm on Saturday on 21 June, 2014**

Ladies and Gentlemen, thank you for the invitation to address you this afternoon.

I am very pleased to be here with Madam President Ms Tupou Draunidalo. Thank you for this honour.

Many of you who have left the shores of Fiji after 1987, 2000 and 2006 probably still feel aggrieved, hurt and probably bitter about the circumstances under which you had to leave our birth place and made homes in this great country.

Most former Fiji citizens left and settled in NZ, and elsewhere so that they could enjoy freedom and opportunities under a democratic system. It is also pleasing that many of you have done so well.

Those who stayed back have not been so lucky. Coups have destroyed opportunities and progress in Fiji.

However, as you know only too well, despite all the destruction by coups, Fiji is still a beautiful country. I am optimistic that we will move it forward and create a country which you will once again be proud of.

Many of you are very concerned about the state of our economy. You are probably supporting your family members who live in extreme poverty and suffer multiple deprivations every day. Your sense of responsibility in helping your friends and family through remittances has helped our economy stay afloat. I thank you all for that.

Today I will share with you 4 major issues that Fiji is currently confronted with.

1. Economic Mismanagement

Coups in Fiji have severely damaged our economy. It will take a lot of effort to recreate a vibrant economy. Our economic performance since 2007 has been dismal. On average, the economy has grown by only over 1% in the past 7 years. The persistence of political instability, poor investor confidence, lack of investment in infrastructure, land lease problems, inconsistent government policies, restrictive decrees, high costs of doing business means confidence in our economy remains low. **We need to rupture this cycle of low confidence and low growth.**

Businesses and employers want certainty in the business environment. Our skilled, professional and unskilled workers want predictability in their employment. They will give their best when they know that their jobs are secure and their wages are fair.

Government policy has been confusing, designed to support certain industries and favor businesses selectively. Growth does not happen if Government selectively favors businesses based on their support to the government. There won't be progress if concessions are granted to businesses based on their loyalty to Government.

Progress is only possible in an open and free environment, with a fair and credible business policy regime that can position Fiji on a high growth path. **A growth rate in excess of 6 percent per annum is my ambition. We hope to achieve this within two years.**

2. Lack of growth in the real sectors of the economy

The policy failure in the agricultural sector has almost destroyed the agricultural sector.

Sugar and all non-sugar crop sectors have declined in the last 5-7 years.

- i) Cane production declined by 34% from 2006 to 2011
- ii) Copra declined by 35% in the same period
- iii) Rice production declined by 38%
- iv) Goat production declined by 85% in the period 2006 to 2011
- v) Fish production declined by 55% from 2005-2010

The production of milk has declined last year despite the government's effort to boost production. Milk is now beyond the reach of poor families in Fiji. The imposition of an import duty of 32 percent on milk and milk products has made milk products beyond the reach of poor people in Fiji.

The sugar sector continues to be in trouble since long term confidence among farmers is not there.

The overall usage of land for the production of sugar declined by 27% since 2006, while cane production declined by 52% between 2006 and 2012.

If the government had been diligent and successful in retaining production of sugarcane, the Fijian economy would have been undoubtedly far better off.

The Tourism sector faces severe problems. Despite much hype the tourism sector has hardly grown.

The Bureau of stats data shows that growth has been meagre in the sector.

	2010	2011	2012	2013
Total Visitor Days	5,985,807	6,292,985	6,266,998	6,142,939
Business/ Conference	333,065	353,811	288,594	319,180
Personal	5,652,742	5,939,174	5,978,404	5,823,759

The overall tourism numbers grew by a meagre 2.6% in the last 4 years. The business and conference sector of tourism shows a decline of over 4% in this period while personal tourism increased by approximately 3%. This is a worrying trend since global tourism grew by a huge 5% in the last 12 months alone.

The point is that if our key sectors of Agriculture and tourism do not grow, then how can the economy grow?

3. A deteriorating business environment

The general business environment in Fiji remains depressed. Even the government's generous tax free zone policy is not working due to the deteriorating business environment.

Fiji's overall Doing Business 2013 ranking is 60 out of 185 economies, recording a 6 point decrease compared to 2012.

Fiji's economic freedom score is 57.3, making its economy the 105th in the 2012 Index. Its overall score is 3.1 points lower than last year due to considerable declines in property rights and freedom from corruption. There are several policies which have increased transaction costs and many small businesses are struggling under the weight of these increased costs.

To achieve a high growth trajectory, we have to free up our small businesses. The many decrees, fees, fines, charges, business licenses that have added undue burden to the silent majority of business are killing initiative and effort. We need to stop scoring so many own goals.

Those most affected by these charges are our people trying to set up small businesses such as roadside stalls, small operators, taxi owners, farmers, and kava dealers. They face a barrage of

harassment by LTA officials, FRCA officials, town councils, Water Authority, FEA, Commerce Commission, and the Lands Department. Small businesses feel that the whole architecture of government is working against, rather than for them.

These small businesses feel that they are being punished by their government, rather than being rewarded for trying to lift themselves out of poverty. These small business operators have suffered in silence over the last 7 years.

4. Rise of extreme poverty

Our poor economic performance has resulted in the rise of extreme poverty. Unemployment and low wages are destroying a whole generation of young people. Compounding the suffering of the poor are the punishing costs of essential food items and rising utility costs.

When it took over power, Bainimarama promised to reduce VAT from 12.5% to 10%. Instead he raised it to 15%. He devalued the dollar by 20%. Prices have increased by 45.3% since 2006. Food prices went up by 60%, heating and lighting prices also by 60% and transport by 51%.

Poverty is blight on our country; a blight on our humanity. At independence, only 7 percent of our families were poor. It has grown fivefold. At 35%, more than 1 in every 3 child, `women and man in Fiji live in poverty. This is our reality. This is plainly unacceptable.

Over the same period, while the rest of the world has made substantial progress in reducing poverty, we have been on reverse.

This government has imposed a national minimum wage of only \$2 per hour in the country or roughly equivalent to \$88 per week income. The daily struggle that a third of our families who earn below \$88 per week are debilitating. They juggle daily choices between paying for medicine for their children or their rent, paying for bus fare to go to work or for buying bread and vegetables.

Nowhere is the evidence of failure of government seen more clearly than through unemployment. Thousands of graduates, school leavers, and skilled people cannot find jobs. This is because there has been no growth in service, manufacturing and agriculture sector. The National Employment Centre tells us that out of 26,000 that registered as jobseekers between 2010 and 2012, only 4,000 found jobs. More recently the figure registered at the NEC has risen to 30,000. Of these 1,000 are University graduates.

It breaks the heart of parents when they see their children out of work after completing their studies. It breaks the heart of our youth who work relentlessly to complete their higher education and then rather than have a decent job, find themselves jobless. This pain is played out in so many homes across our country every day.

Ladies and gentleman, I have taken much time to try to give you a picture of Fiji and its woes today. In the last 7 years you have heard and seen only one side of the story. I can only say that what you hear from the media is selective. You will need to go deeper before you pass judgment on the performance of the Bainimarama government.

We acknowledge that there are some things that the current government has done right. Things like free education, bus fare subsidy. But equally important, we need to see what has been

taken away. Poor economic performance, increased cost of living, loss of jobs, vastly increased poverty. Added to that is an environment where fear has gripped our people. We need to set this right.

How do we view our relationship with New Zealand.

I began by reflecting on how so many of you came to make this great country your new home under difficult circumstances. I know how harsh this experience of relocation has been for so many of you.

It should not be the case ever again that Fiji Islanders need to leave their homeland because they feel uncertain about their future, or they feel hurt by how their fundamental rights are trampled upon by their own government.

This is not the future on which our relationships will be based. This must only be a part of our past – a difficult part of our past and one that we never ever wish to return to.

In leading the NFP, I have asked Fijians to accept a vision that offers at its core the need to have decade of stability and of continuous high economic growth.

For us to have this lucky decade, we will need sustained progress in making our democratic institutions resilient and work for all Fiji Islanders – its indigenous people, and all groups of people for whom it is home.

These democratic institutions must also work for our investors, our visitors and our families living in New Zealand and beyond.

In Government, I hope to work fearlessly to help transform our relationship with New Zealand and lift it to great heights. Our relationship with New Zealand must work far more forcefully for Fiji's development.

Our economic relationship with this country is highly unequal. The trade deficit stands at nearly \$450 million per year in New Zealand's favor. This trade imbalance has just about doubled in the last decade.

We remain unable to benefit from New Zealand's enormous tourism potential. Only a very small number of Kiwis visit our beautiful country each year – 100,000. This has virtually remained the same for last 10 years.

Fiji remains nearly out of bounds for many of New Zealand's investors. We remain unable to capitalize on smart investments by

our former citizens in so many areas where we need your investments and skills.

But let me be unambiguous in thanking you and your Governments' for all you have done for Fiji in our difficult years starting from 1987. We will never be able to thank New Zealand enough for having provided a new homeland for so many Fiji Islanders. I should not even try to do that as words could not do justice to that.

I have personally drawn much inspiration from the support that your successive governments' have provided to help Fiji get back on the democratic path. We look forward to New Zealand's sustained involvement in our difficult journey to democracy and stability.

Let me be even more unambiguous. In spite of the strained official relations with Bainimarama and his Government over the past 7 years, New Zealand is our closest friend in the world. New Zealand is family. Period.

I do not want to stand here and criticize New Zealand for not doing enough for Fiji's development. The failure is ours and ours alone – not New Zealand's.

For more than 30 years now, we have consistently failed as a country to capitalize on the development potential arising from a better relationship with this great and most generous neighbor of ours.

To transform this relationship, we in Fiji need new incentives to double New Zealand tourists from its dismally low 100,000 per year now. This, target I want to achieve within 4 years.

Some 4 decades after our independence we have still not been able to make it attractive enough for your national airline Air New Zealand to have daily flights into our capital city, Suva.

A doubling of New Zealand's visitors will unleash 5000 new jobs in our tourism industry. It will add \$50 million to our tourism revenues. We want to build new smart niche industries for export to New Zealand and Australia. We are not in competition with Indonesia or China for manufacturing. That is a no brainer. But there are niche industries in which we can beat them hands down.

We need carefully selected policies that will attract New Zealand entrepreneurs to locate to Fiji to help us kick start initiatives in these targeted sectors. I want to make Fiji attractive as a destination for New Zealand to source a range of imports.

I will look to investments from our diaspora for the development of niche marine and agricultural export products using technologies that we do not have, helping to grow skills in areas we cannot

afford to and helping us open up markets here in Auckland and across New Zealand.

We want you to bring your new knowledge, your new skills and your new networks to invest in Fiji. We need technologies and investments in healthcare, we need investments to improve pastures and yield in dairy, and we need investments in food processing. I am targeting a New Zealand inward investment of at least \$150 million annually for the next 5 years.

We want your investments and knowledge in helping our outer island communities in Fulaga, Rotuma and Yasawas deal with climate change; we need your investments and knowledge to help reverse environmental damage.

We need your help to restore our depleted fishing stocks; we need your investments and knowledge to manage our marine resources. Our place in the South Pacific and in the world will depend on how rapidly we reduce our dependence on foreign aid.

For this to happen we have to get our trade relationships right. Creating a positive environment for smart and green NZ investors to Fiji, making Fiji the first choice for Kiwis for their short holidays, and giving preference to Fijian agricultural products including I hope organic traditional red-rice from my home village of Dreketi will go much further in improving income and raising the quality of life for our peoples than aid can ever do.

It is my hope that in the very near future, when Fiji Islanders look to move to New Zealand, it will not be because they feel insecure in their country, or that they are seeking to escape punishing poverty ... it will only be because they need a larger stage, a larger canvass on which to display their talents be it in business, in professions, in sports, or arts than what we can offer in Fiji.

This future is in our grasp. This is the future that the NFP is offering to Fiji citizens in September.

Ladies and gentleman, I am confident that Fiji Islanders will make the right choice come September this year. I am confident that we will have the good wishes of Fiji Islanders who have made Auckland and New Zealand their home in our difficult path of returning to democracy.

I am supremely confident that your Government will only have nothing but the very best of its own wishes and importantly support in helping us return to a high growth path and helping us preserve democracy.

But we need a small helping hand

Ladies and Gentlemen, in 2020, Fiji will be celebrating its 50th Anniversary as an independent country. NFP's vision is to make sure that we have real achievements to celebrate in the 50th year of our existence as a free nation. Given our many wasted years, we have a lot of catching up to do.

It is my hope and expectation that with clarity about how we must travel and a shared national commitment to get there, we will reach a quality and standard of living that is equal to that of New Zealand by 2030. **This is not my dream. This is a reality within our grasp. We can get there. But we need to break out of the coup cycle.**

But I also want to extend a caution. We have suffered as a result of lack of democracy for so long. Our media had been muzzled. We are fighting elections under a Constitution that has been imposed on us. The environment for the election is far from free and fair.

Draconian media decree and state privileges decree remain in place. The electoral regulations, including the ballot paper and a compliant Election Commission are of serious concern to us.

We hope that as individuals deeply concerned about the future of your homeland, you will do everything within your means to ensure that the attention of New Zealand and the world can be focused on Fiji so that the elections are not stolen.

We will do all within our means. We need a small helping hand from you so that the world's eyes can be focused on Fiji at this crucial moment in our nation's recent history.

Thank you very much, Vinaka Vakalevu, Dhanayabad