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STATEMENT-COMMITTEE OF WHOLE-1 (FIJI)

Mr. Chairman, Distinguished Delegates, Ladies and Gentlemen.

We congratulate you on your appointment as Chairman earlier today.

Given our narrow export base, the Pacific region including Fiji, is quite vulnerable to variations in global demand, especially for tourism and exports of minerals, agriculture, forestry and fisheries products. Our vulnerabilities are further exacerbated by our geographical size and location, lack of access to world markets, inability to influence global prices, limited economies of scale and heavy reliance on imported food and fuel. Climate change is also a major area of concern for the region with changing weather patterns and rising sea levels affecting livelihood and economic activity. The current precarious global economic environment therefore adds to the existing challenges the region faces in forging ahead.

Mr. Chairman, we recognize that we cannot completely insulate ourselves from shocks, both internal and external, that come in the form of natural hazards, climate change related events, volatile commodity markets, and those transmitted through the global economy. Likewise, our dependence on imported petroleum products and the declining terms of trade in agricultural goods relative to manufactured goods increase our vulnerability. Our focus therefore is on building economic and community resilience.

Mr. Chairman, like many small island developing nations, Fiji is heavily dependent on imported petroleum products as a source of energy for its industrial, commercial and transportation sectors, as well as to supplement electricity generation for domestic consumption. As the economy has developed over time, its appetite for energy has also increased. The import of mineral fuels now account for a third of our total import bill.

This year, the Fijian economy is forecast to experience a broad-based growth of 2.7 percent. Major sectors envisaged to drive this growth are agriculture; manufacturing and financial intermediation. However, there is downside bias to this forecast, due once again to Cyclone Evan, which caused substantial infrastructural damage in the tourism industry and negatively affected the agricultural sector.

So far this year, consumer and investment activity have been upbeat, supported by Government's policies including the reduction in income taxes, inward remittances, investment incentives and our central bank's accommodative monetary policy stance. In addition, in its 2013 Budget, the Government set aside a sizable amount for maintenance and development of Fiji's roads.

In terms of our debt levels, Fiji's debt stock stood at around 50.2 percent of GDP last year. Government's debt management policy will be geared towards ensuring lower costs, debt sustainability, support for investment and economic growth, and maintaining an efficient market for Government securities.

Mr. Chairman, Fiji's future prosperity depends on the resilience of our economy to internal and external shocks. To foster sustainable growth, Government will channel resources to

areas that provide value adding opportunities, improve infrastructure, increase returns and promote inclusive economic growth over the short to medium term.

Thank you Mr. Chairman.