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The Grand Pacific Hotel, Suva, FIJI  
29 - 31 August 2024



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Lead Economist,  
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Australian Government

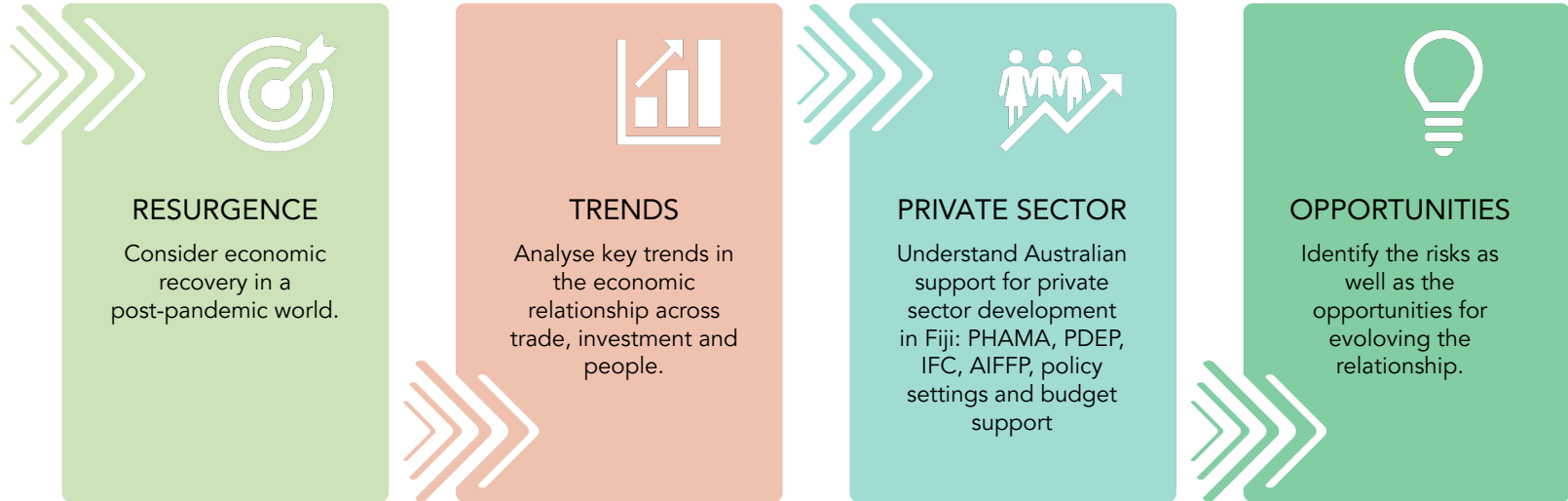
Department of Foreign Affairs and Trade

# THE VUVALE ECONOMIC PARTNERSHIP

Jonathan Pryke  
Friday 30 August 2024

## VUVALE ECONOMIC PILLAR

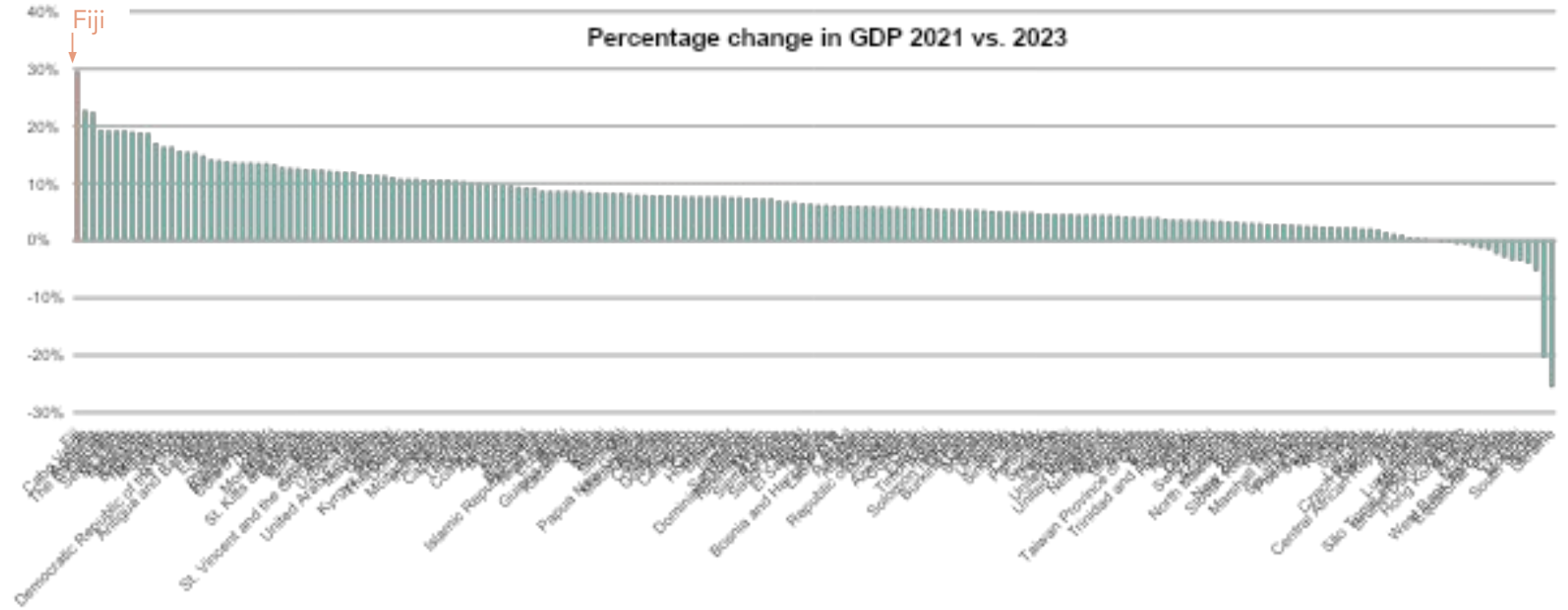
This presentation considers four points for discussion in the evolving economic relationship between Australian and Fiji





# ECONOMIC RECOVERY

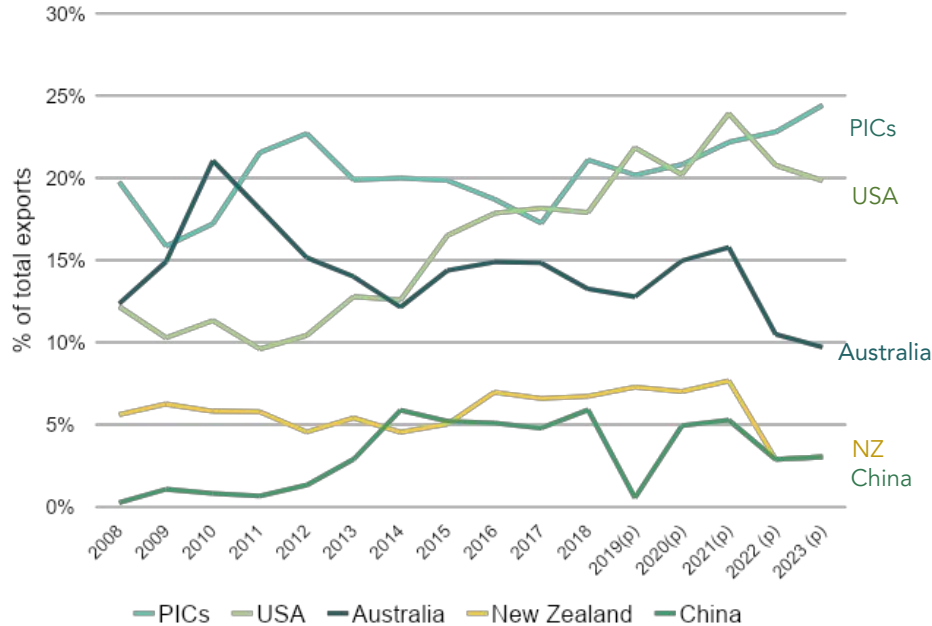
Over 2022 and 2023, Fiji was the fastest growing country in the world



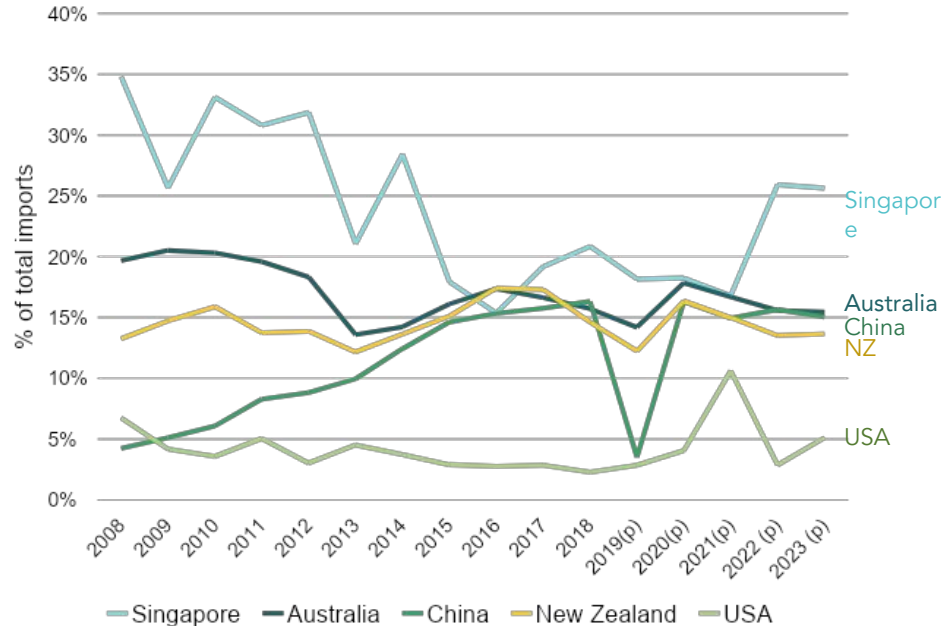
## TRENDS IN EXPORT AND IMPORT DESTINATIONS

Australia role as a trading partner has evolved since 2008; we are Fiji's third largest export partner and second largest import partner

### Top 5 export destinations



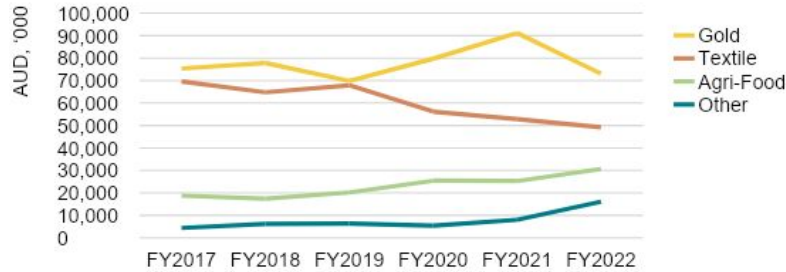
### Top 5 import sources



## TRENDS IN FIJIAN EXPORTS TO AUSTRALIA

Gold is Fiji's primary export to Australia; textiles are trending downwards but more than compensated by growth in other goods

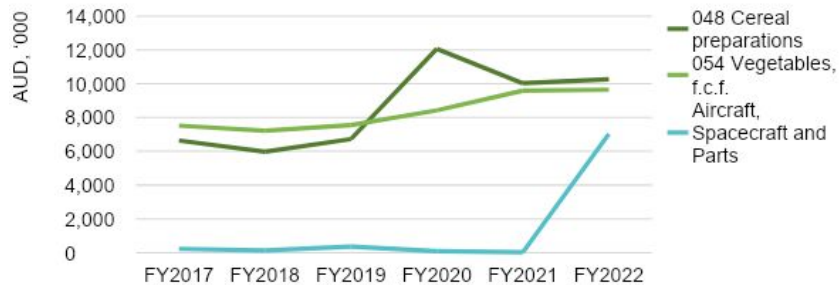
Top 20 exports, grouped



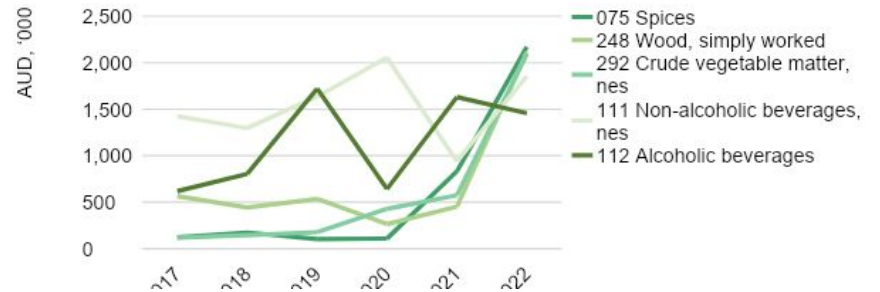
Textile exports, grouped



Exports with largest absolute increase



Fastest growing exports

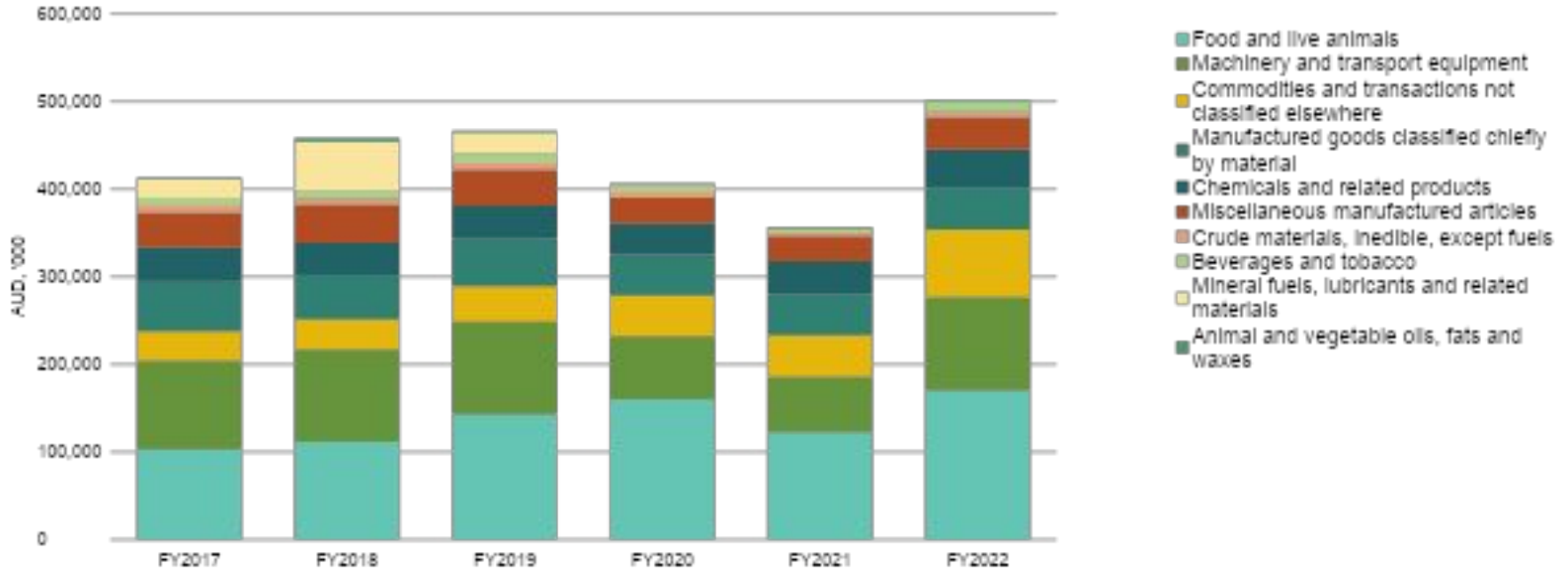




## AUSTRALIAN EXPORTS TO FIJI

Australian exports to Fiji have increased markedly in the last financial year

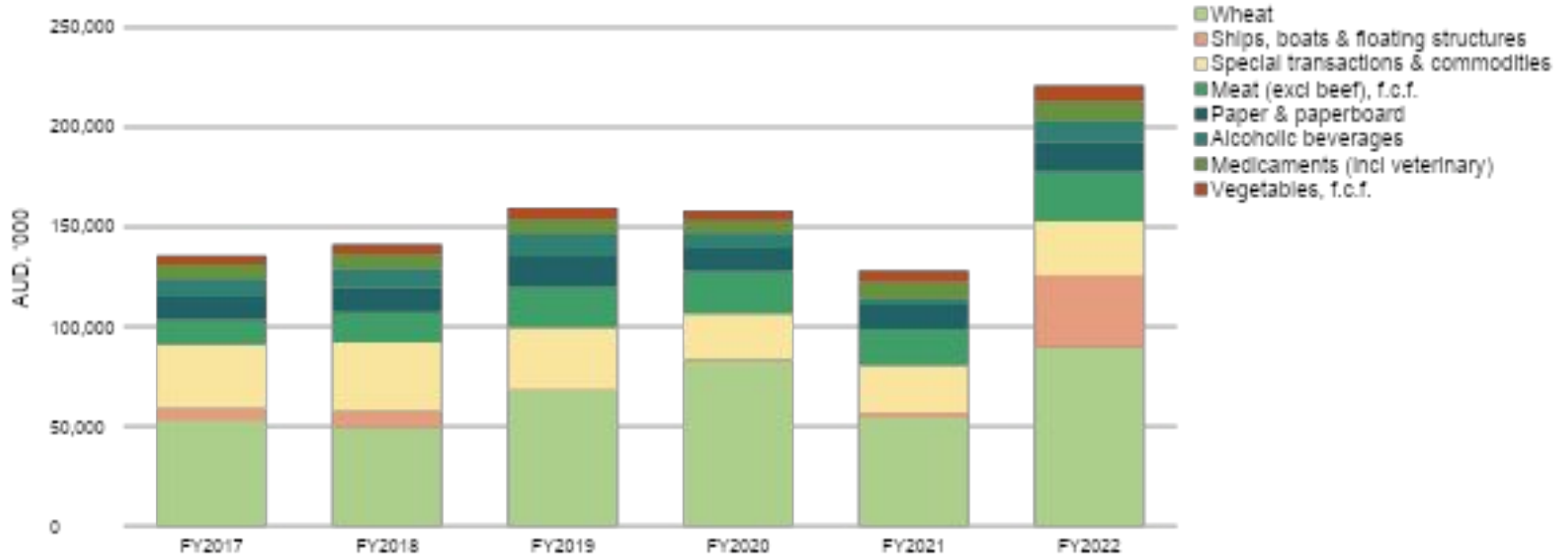
Australian exports to Fiji, high level groups



## AUSTRALIAN EXPORTS TO FIJI

Wheat is the primary export to Fiji and increasing; ship and boat exports grew significantly in the last financial year

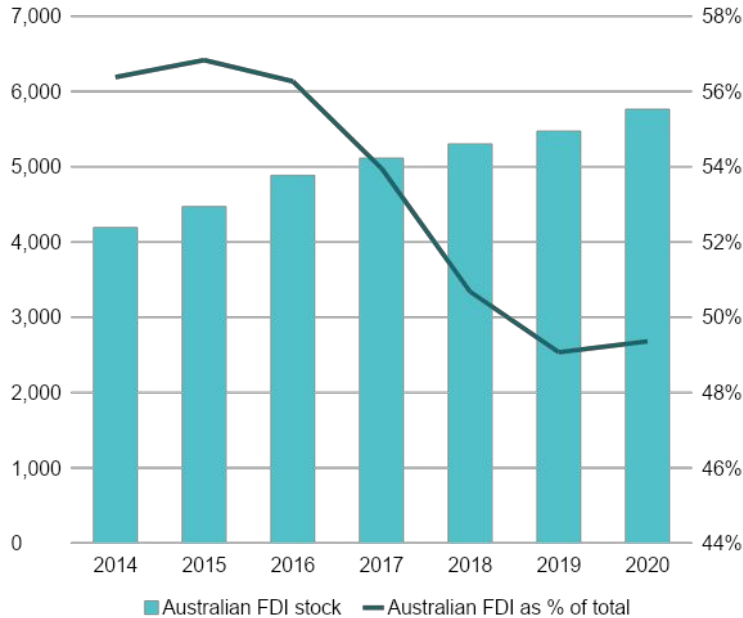
Australian exports to Fiji, subgroups



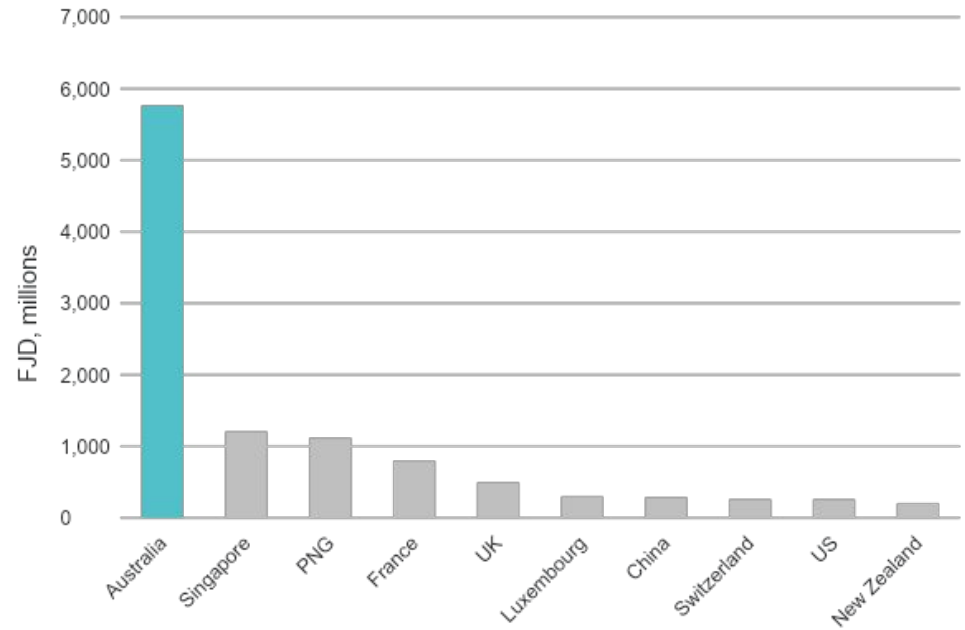
## FOREIGN DIRECT INVESTMENT

Australia is Fiji's number one investment partner but our share of total foreign direct investment is declining

**Australian FDI in Fiji and % of total FDI**



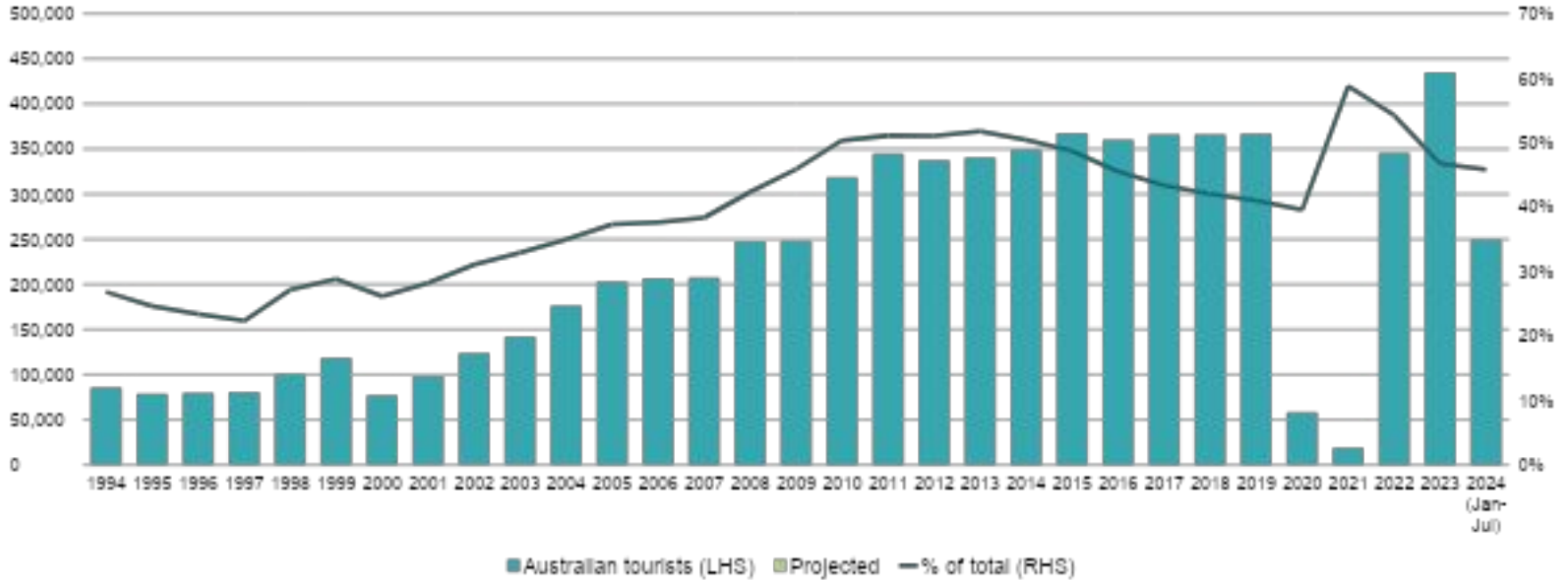
**2020 FDI stock to Fiji, top 10 source countries**



## TOURISM (1/4)

Australian tourists to Fiji grew in absolute terms but declined as a proportion of total tourists from 2010 until the pandemic in 2020

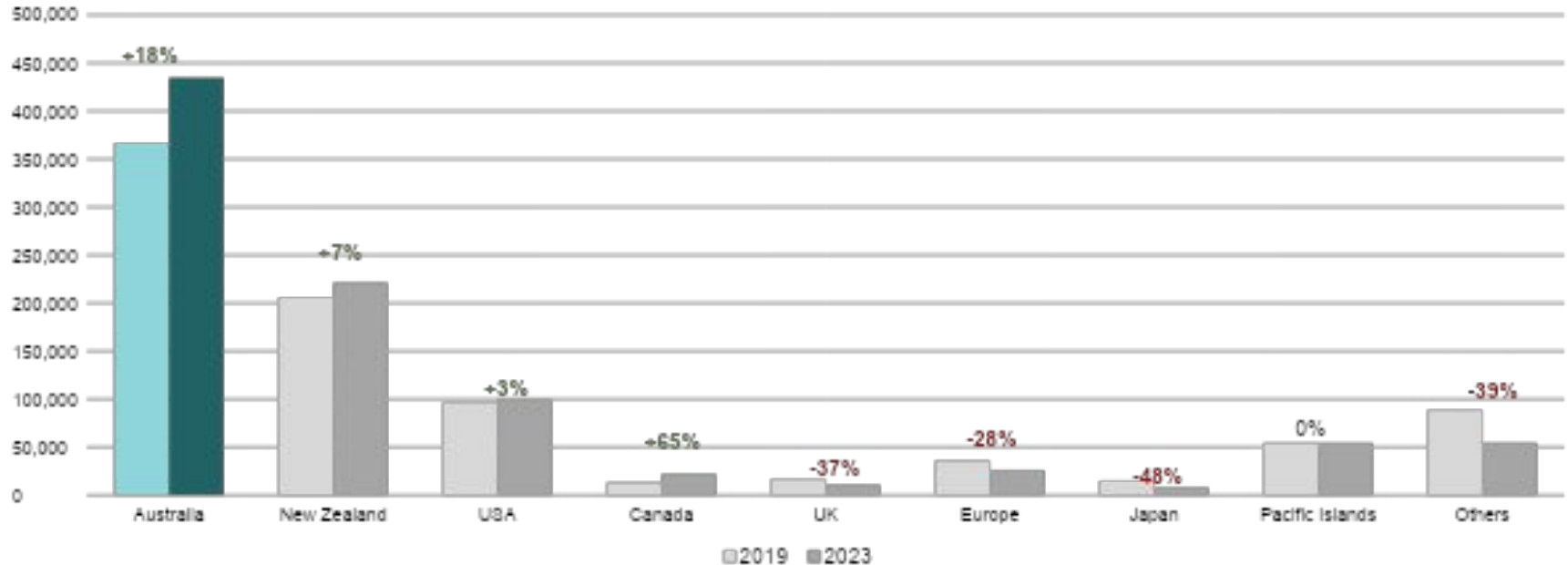
Australian tourists to Fiji, 1994 - 2024



## TOURISM (2/4)

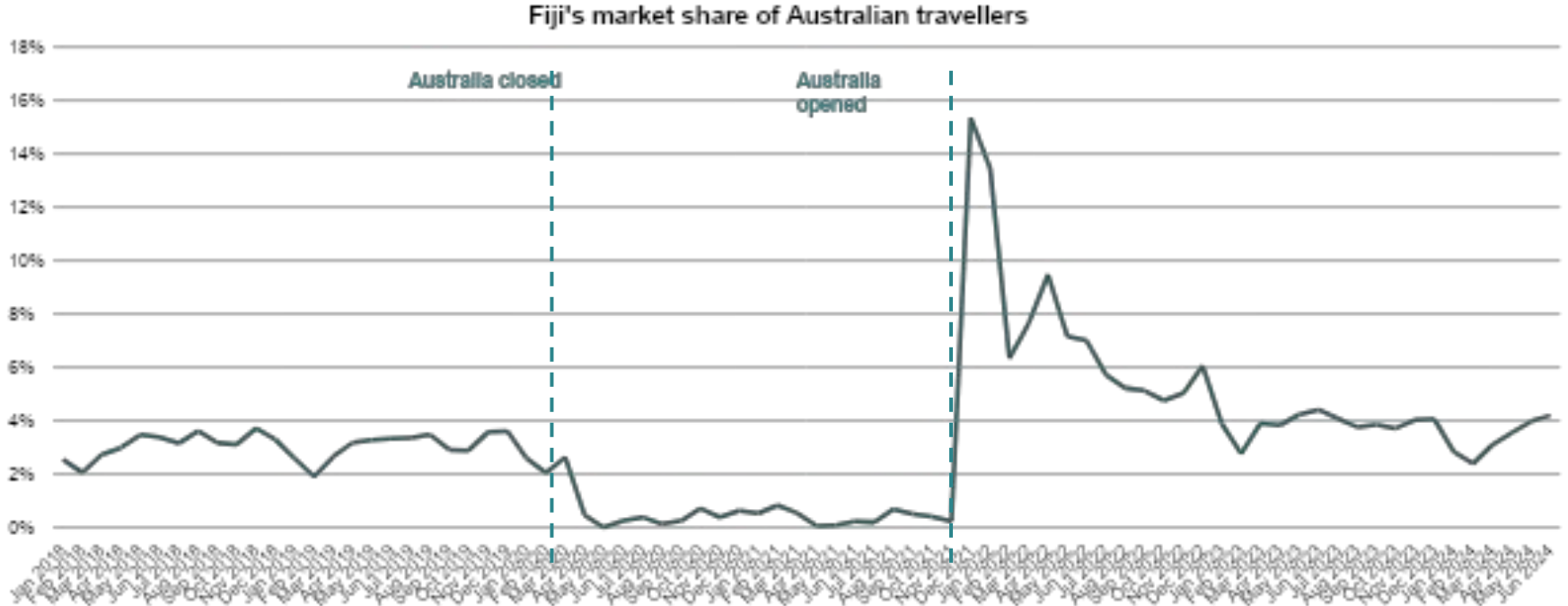
Australia is almost 20% above 2019 tourist levels in 2023, while many other markets continue to recover

Arrivals by country, 2019 vs. 2023



## TOURISM (3/4)

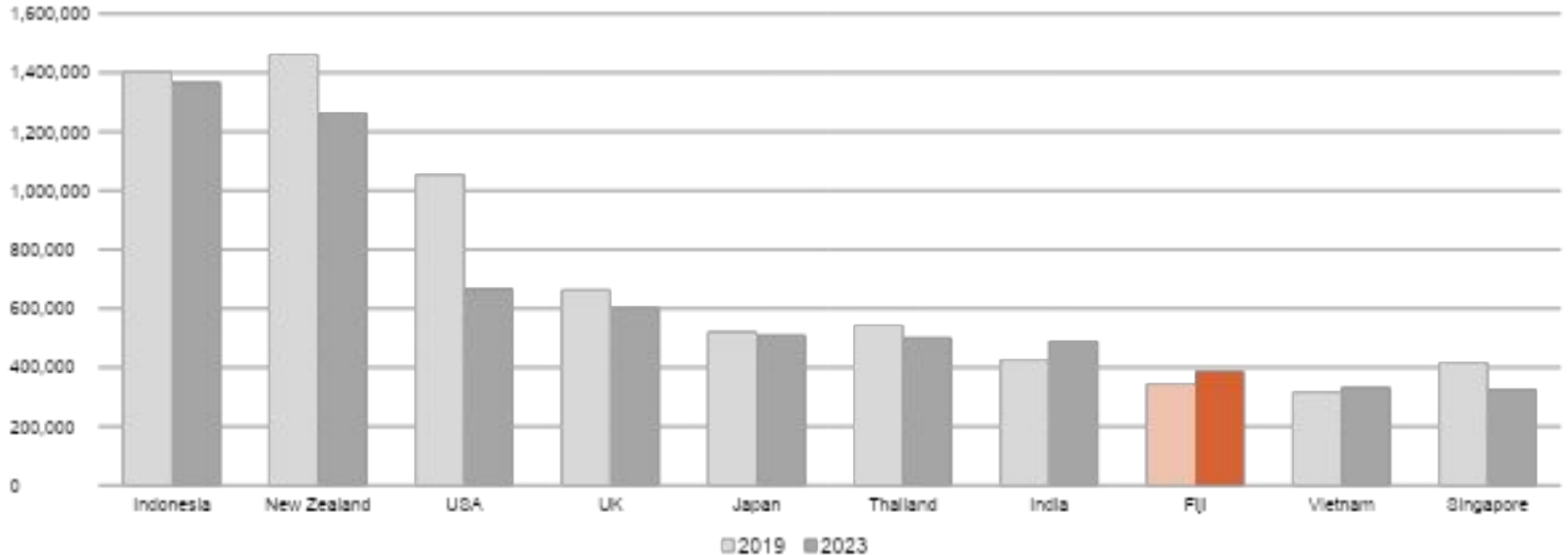
Fiji's market share of Australian tourists has increased from 2% to 4% between 2018 and 2024, and was 8% in 2022



## TOURISM (4/4)

Fiji was Australia's tenth most popular travel destination prior to COVID; now, it is ranked eighth

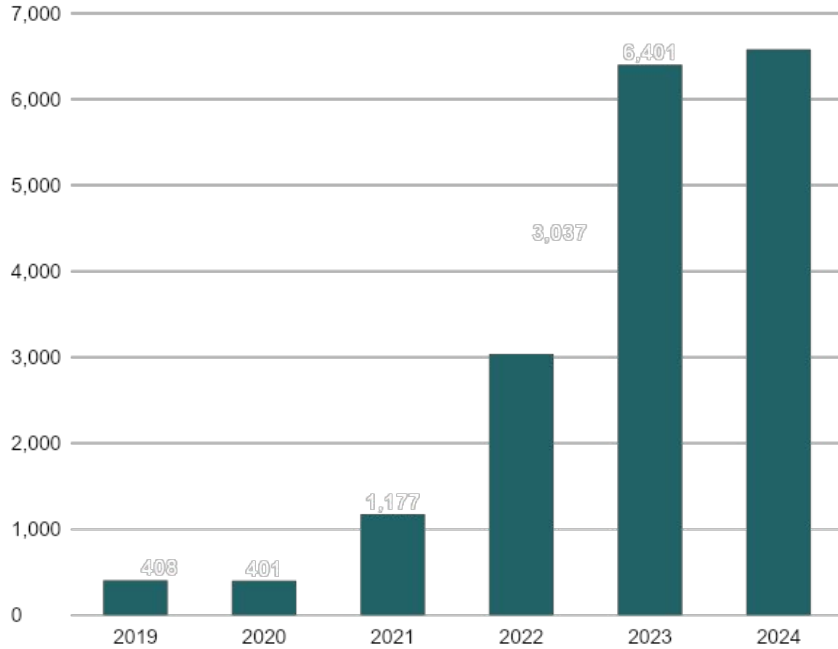
Top 10 destinations for Australian travellers



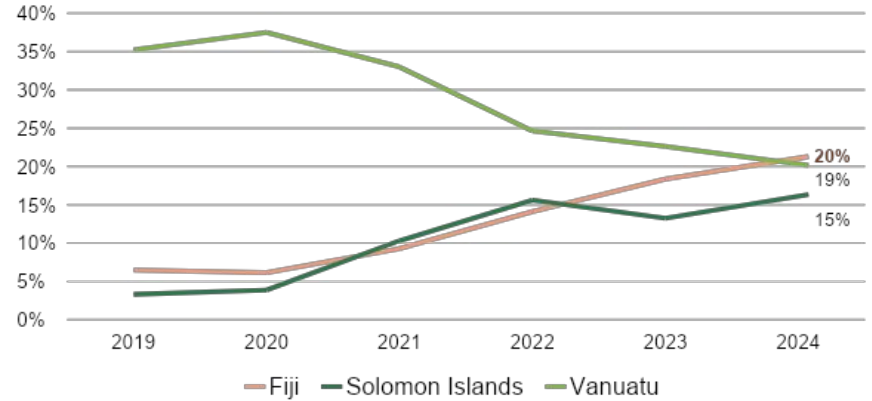
## LABOUR MOBILITY 1/4

Fiji has seen a surge in take-up of the PALM scheme in recent years

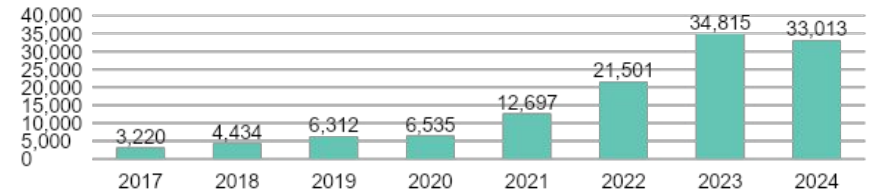
**Fiji PALM workers in Australia**



**Top 3 PALM sending countries**



**Total PALM scheme growth**

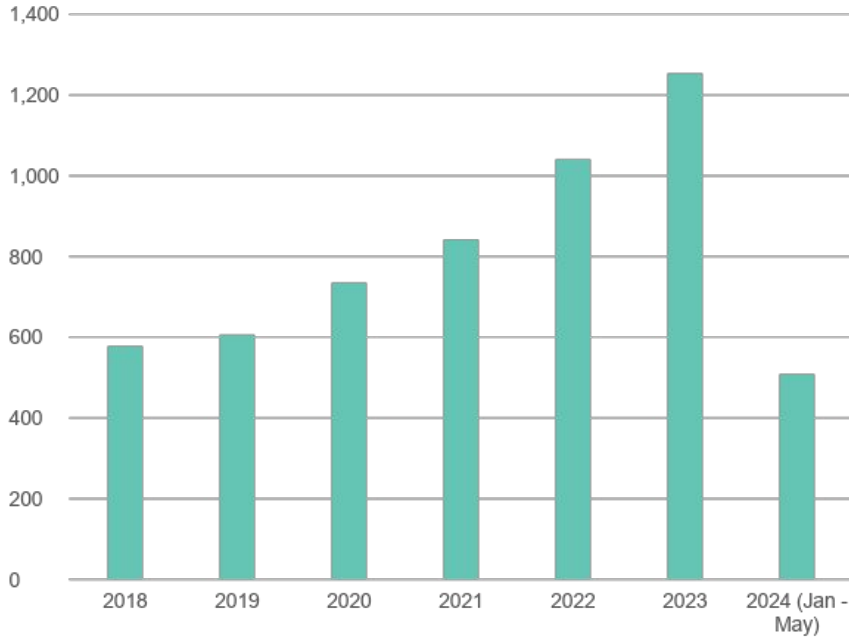




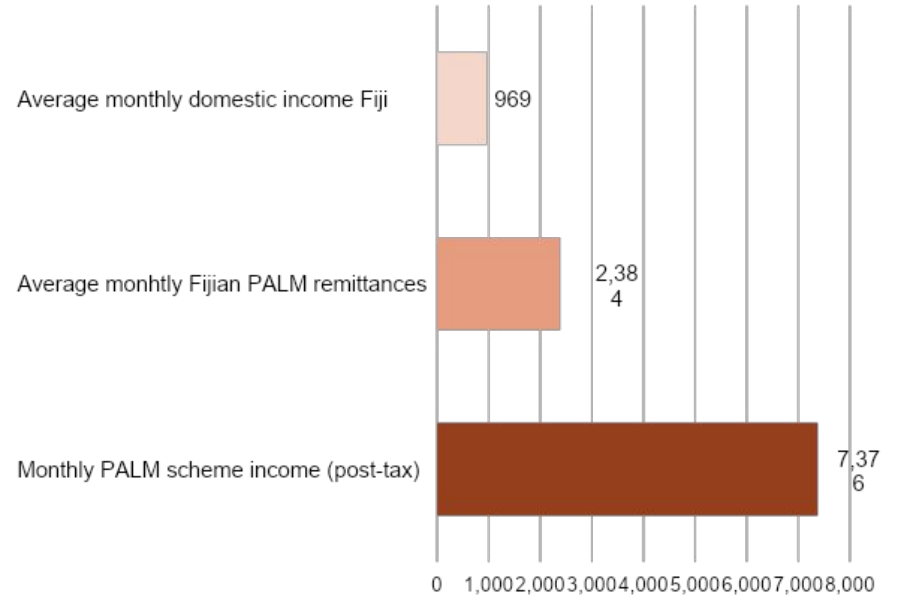
## LABOUR MOBILITY - REMITTANCES 2/4

Pre-COVID, personal remittances averaged FJD 50 million per month; now, remittances are averaging around FJD 100 million per month

**Total personal remittances**

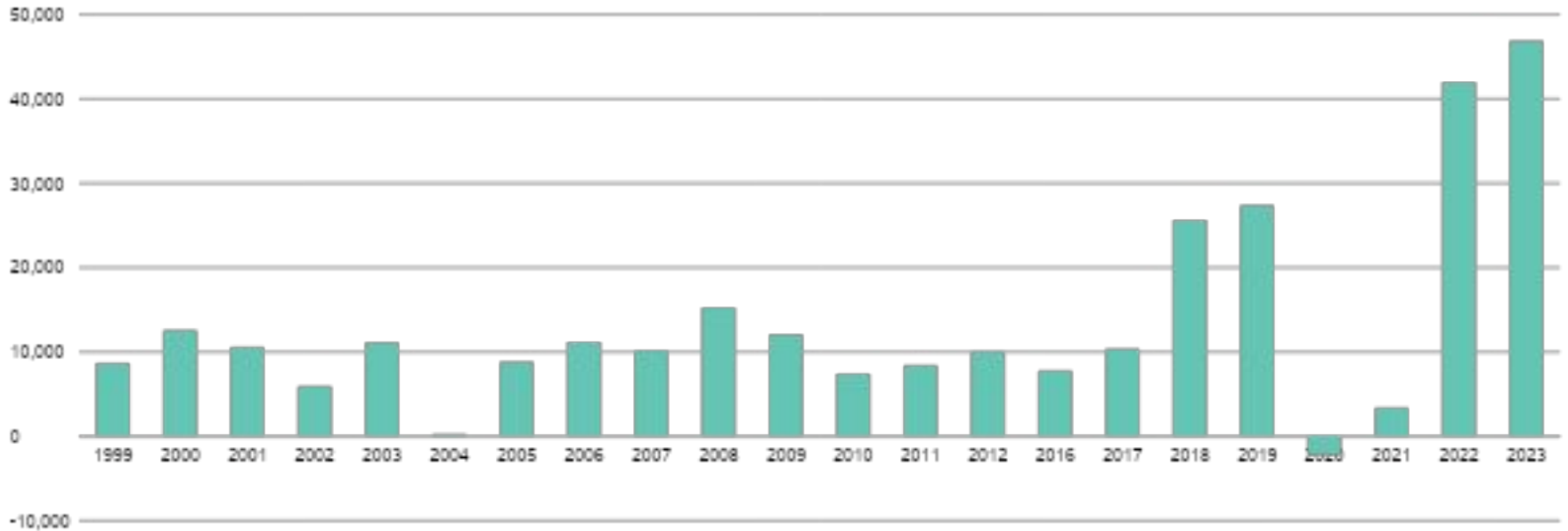


**Average monthly FJD remittances from a Fijian PALM worker**



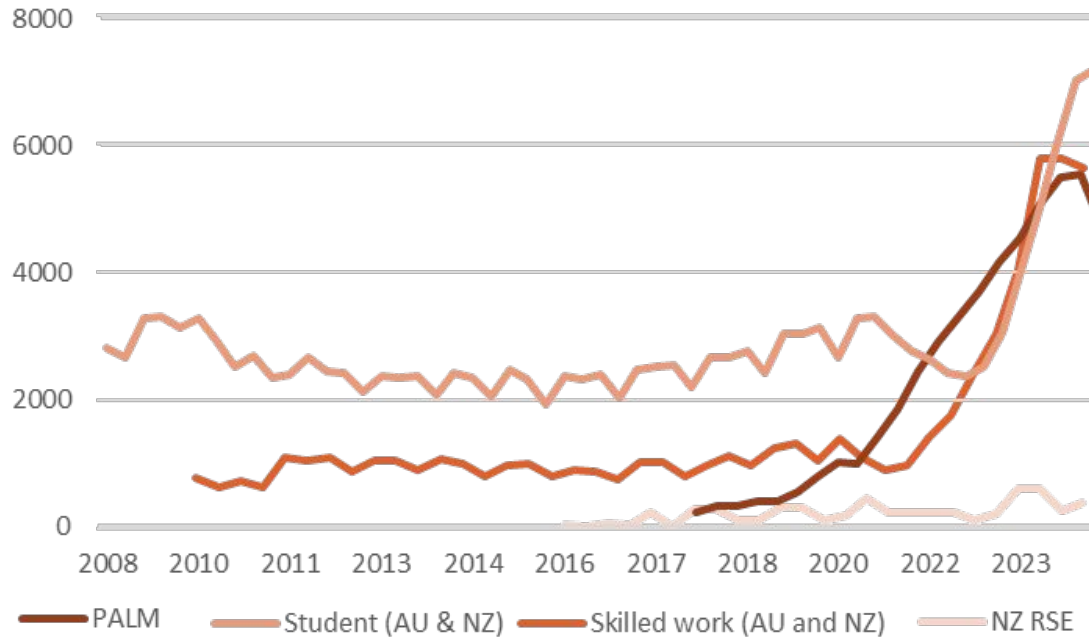
## LABOUR MOBILITY IN THE CONTEXT OF MIGRATION 3/4

Fiji outwards migration in 2023 and 2024 has been roughly 5% of Fiji's population each year



## LABOUR MOBILITY IN THE CONTEXT OF MIGRATION 4/4

The PALM scheme made up only 20% of Fijian migrants to Australia and New Zealand in 2023



## AUSTRALIAN SUPPORT FOR PRIVATE SECTOR DEVELOPMENT IN FIJI

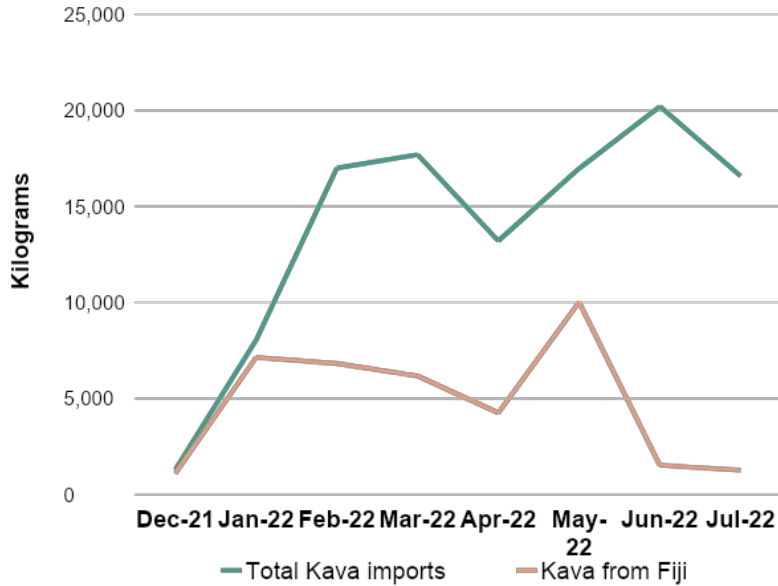
- Pacific Digital Economy Program
- International Finance Corporation
- Australian Infrastructure Finance Facility for the Pacific
- Pacific Horticulture and Agriculture Market Access
- Market Development Facility

## **OPPORTUNITIES IN THE BILATERAL ECONOMIC RELATIONSHIP**

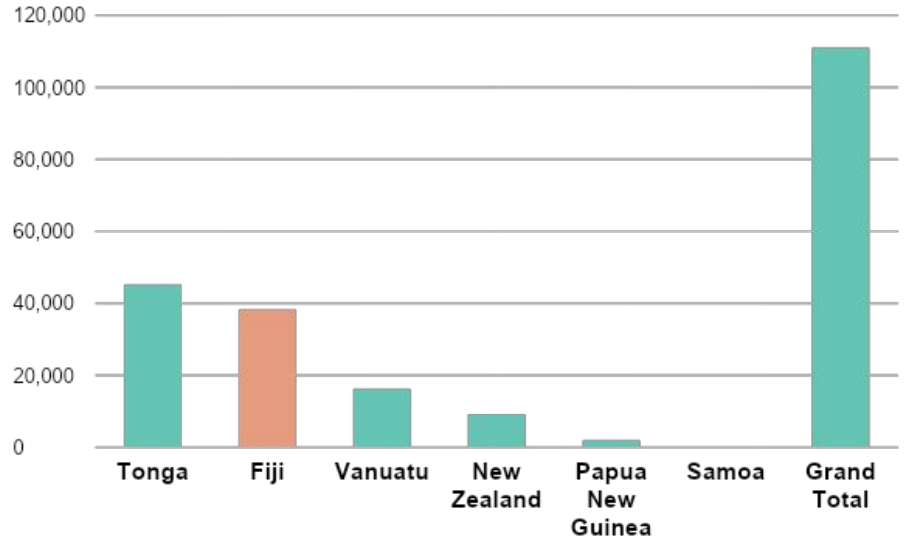
- Deepening trade ties – PACER Plus
- Enhancing people-to-people circular flows
- Transboundary tax
- Financial market integration
- Superannuation partnerships (and portability)
- Biohazard and quarantine

## SPECIAL INTEREST – KAVA!

Monthly Kava imports into Australia



Total Kava imports by country since December 2021





**Australian Government**  

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