



Fiji Institute of Accountants

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Press Release: National Budget 2020-21

The Fiji Institute of Accountants welcomes with positive note the National Budget 2020-21 presented by the Honourable Attorney General and the Minister for Economy, Civil Service and Communications on 17 July 2020. The Institute acknowledges the good work done and the commitment by the Government in putting forward a very bold and well-planned Budget that serves all Fijians.

“We are happy with the Budget and would like to thank the Government and the hard-working people who have worked tirelessly in putting up such a courageous Budget,” said Mr Nitesh Lal, FIA President.

The Budget has taken into account the interests of the wide range of stakeholders and sets the right strategies towards our road to recovery from the catastrophic effects of COVID-19. This is a well thought, broad-based Budget which goes deep into the various sectors of our economy. The Budget caters well for the people, the businesses and many sectors of our economy requiring assistance now.

Business sectors will benefit from the large tax cuts and rebates, duty abolishment and reductions. A significant amount of incentives and opportunities are also available for investments in the construction sectors, medical & health services and sub-division projects. Support to micro, small and medium enterprises will continue through the highly concessionary loan packages. There are many other broad-based incentives available to the business sectors to take advantage of.

For individuals there is no increase in PAYE, VAT and other taxes. The \$30,000 threshold for PAYE tax exemption remains. There are great incentives for first home buyers and Fijians can directly benefit from the reduction in duties for white goods, motor vehicles and many other items. It is now the responsibility of the traders to pass the benefit of these reductions to the market.

The Institute notes that a significant portion of the Budget will be funded from external sources. The borrowing is in line with the global trend and benchmarking with other well-developed countries: we are still well placed with the borrowing ratio. The Government has announced that they will be borrowing at very concessional terms. We also note that the tourism sector has received the much-needed assistance in this budgetary process and we encourage the Government to continue to work and focus on other sectors in order to diversify our economy further.

We would also like to sincerely acknowledge the Honourable Minister for Economy and his team for reviewing our submission, considering our input and its impact on the economy in moving the country forward.

The Institute commends the National Budget 2020-21 and congratulates the Government for delivering such a people- and business-centric Budget. We look forward to working with relevant stakeholders and assisting where required to make our road to recovery from the economic effects of COVID -19 a smoother transition.