

EXECUTIVE SUMMARY
STATE OF THE ECONOMY BREAKFAST TALANOA
4 March 2026 – Grand Pacific Hotel, Suva
Organised by: Fiji Commerce & Employers Federation (FCEF)
In partnership with: Fiji Institute of Chartered Accountants (FICA)

The Fiji Commerce & Employers Federation, in partnership with the Fiji Institute of Chartered Accountants, hosted the *State of the Economy Breakfast Talanoa* on 4 March 2026 at the Grand Pacific Hotel in Suva. The session featured keynote remarks from the Hon. Esrom Immanuel, Minister for Finance, Commerce and Business Development, and Mr. Ariff Ali, Governor of the Reserve Bank of Fiji, followed by a moderated discussion led by Ms. Lisa Apted (Partner, KPMG).

The session brought together leaders from the private sector, public sector, and civil society to discuss Fiji's current economic outlook, emerging global risks, and strategic priorities for sustaining economic growth.



Economic Performance and Outlook

The Governor of the Reserve Bank noted that Fiji has recorded four consecutive years of economic growth following the pandemic recovery. However, the pace of growth has moderated significantly from the strong rebound years. While the economy grew by 17.7% in 2022 and

around 9% in 2023, growth in recent years has slowed to approximately 3–3.5%. Forecasts suggest growth will remain around 3% in the medium term unless new drivers of expansion emerge.

Tourism recovery and government expenditure were identified as the primary drivers of recent growth. However, both sources face limitations going forward, particularly due to fiscal constraints and slower tourism expansion.

Global Risks and External Pressures

The Governor highlighted rising geopolitical tensions, particularly in the Middle East, as a major external risk. The ongoing conflict in the region has the potential to disrupt global oil supply routes, including the Strait of Hormuz through which a large share of the world's oil passes. Any disruption could drive global oil prices higher, which would directly increase fuel costs in Fiji. Higher fuel prices are expected to cascade through the economy by raising transportation costs, food prices, electricity bills, and overall living expenses. In addition, rising oil prices and global inflationary pressures could lead to higher interest rates, placing further strain on household budgets and business profitability. These global developments may also affect tourism demand and trade flows, ultimately influencing Fiji's broader economic outlook.

Fiscal Position and Policy Considerations

The Minister acknowledged that Fiji continues to operate in a constrained fiscal environment due to elevated debt levels following the COVID-19 pandemic. Government debt increased significantly during the pandemic period as public spending supported the economy. Despite this, the government aims to continue supporting economic recovery through prudent fiscal management, targeted social support measures, and prioritisation of key infrastructure investments.

Cost of Living and Social Support

Addressing the cost-of-living pressures faced by households remains a key government priority. Given Fiji's reliance on imported goods, global price movements continue to influence domestic prices. The government has therefore focused on policies that improve household incomes and targeted support programmes rather than relying solely on price controls.

The private sector was also encouraged to contribute by maintaining fair pricing, improving efficiency, and supporting productivity improvements.

Infrastructure and Investment Priorities

The government identified several key infrastructure priorities for the next one to three years, particularly in the areas of:

- Water and wastewater infrastructure
- Port development
- Road network improvements
- Digitalisation of government processes

These investments are intended to address constraints affecting business operations and enable stronger private sector investment.

Traffic Congestion, Productivity and Workforce Arrangements

In response to questions on productivity and infrastructure constraints, the Governor highlighted growing concerns about traffic congestion, particularly around the Suva–Nausori corridor, and the broader impact this has on national productivity and household wellbeing. He noted that lengthy commute times are resulting in significant lost productive hours each day.

As a practical response, the Governor suggested the need for structural decentralisation by relocating or distributing selected government offices (and potentially some private sector operations) towards Nasinu / Nakasi / Nausori, rather than continuing to concentrate employment and services in central Suva. He indicated that the current centralisation has contributed to a “bottleneck” effect, intensifying peak-hour traffic flows and limiting labour market efficiency.

He also recommended that organisations consider workplace flexibility measures to reduce congestion and improve workforce productivity, including:

- Staggered / flexible working hours (earlier start and earlier finish times); and
- Expanded use of work-from-home arrangements where appropriate, while balancing operational and team effectiveness.

Private Sector as the Engine of Growth

Both the Minister and the Governor emphasised that the private sector must play a central role in driving Fiji’s future economic growth. While the government’s role is to create a conducive policy environment, sustained growth will require increased private sector investment, innovation, and productivity.

Encouragingly, the investment pipeline in Fiji has increased from approximately \$6 billion to \$7.6 billion, reflecting continued investor confidence in the economy.

Monetary Policy and Financial Stability

The Reserve Bank noted that monetary policy remains accommodative, with the policy rate maintained at historically low levels to support economic activity. The Bank emphasised the importance of maintaining adequate foreign reserves and prudent exchange control policies to safeguard financial stability, particularly during periods of global economic uncertainty.

Structural Challenges

Several structural issues affecting the economy were also highlighted, including:

- Labour shortages and workforce mobility
- Skills development and productivity challenges
- Traffic congestion and infrastructure capacity
- Capacity constraints in implementing capital projects
- Negative economic sentiment influenced by public discourse and media narratives

Addressing these issues will require coordinated action between government, the private sector, and other stakeholders.

Opportunities for Growth

Despite the challenges, speakers emphasised that Fiji continues to present significant opportunities for investment and economic development. Growth opportunities were identified in sectors such as:

- Tourism and hospitality
- Agriculture and agri-business
- Forestry and fisheries
- Kava exports
- Logistics and regional connectivity
- Financial and digital services

There was also strong emphasis on positioning Fiji as the economic hub of the Pacific, leveraging its geographic location, institutional infrastructure, and connectivity.

Conclusion

The session concluded with a strong call for collaboration between government and the private sector to navigate emerging challenges and sustain economic growth. Speakers emphasised the importance of maintaining investor confidence, strengthening economic communication, and focusing on practical solutions to support productivity and investment.

The Vote of Thanks was delivered by the President of the Fiji Institute of Chartered Accountants, Mr. Sharvek Naidu, who highlighted the importance of open dialogue between policymakers and the private sector in shaping Fiji's economic future.

