High Commission of the Republic of the Fiji Islands
London

TRADE & INDUSTRY

Fiji's economic achievements since independence have become a model for other countries in the South Pacific. And the Government is working on improving these achievements to make Fiji a major trade and export centre in the South Pacific.

Recognizing the vital role private investment (both local and foreign) can play in this regard, Government embarked on a comprehensive plan to enhance and stimulate investment in the country. It is also reviewing its export and investment incentives to ensure they remain internationally competitive and continue to attract overseas and local investment. Government will consult closely with the business community on measures to further stimulate increased investment both by local and foreign investors. Some of the specific measures to be undertaken include:

- reducing the cost of doing business in Fiji;
- promoting small and micro –enterprises through fiscal incentives and easy credit access;
- setting up a separate bank to provide loans for the farming community and agro-based industries;
- re -examining the role of the Fiji Development Bank to be better focussed.
- improving the investment approval process.

The country has also taken an ambitious step of becoming a member of the General Agreement on Tariffs and Trade (GATT) and becoming part of the international economy. In fact, Fiji joined the World Trade Organization in January, 1996. And in its endeavor to be part of a liberalized and fairer multilateral trading system, has attempted to address the basic principles embodied in the WTO Agreement.
The manufacturing sector has attracted a lot of investment over the last five years and as a result has become one of the fastest growing sectors of the economy. The main impetus of growth of this sector has been the introduction of the Tax Free Factory/Tax Free Zone scheme in 1987. The current scheme provides generous incentives, including a 13-year tax holiday, duty exemptions on capital goods and raw materials, and freedom to repatriate capital and profits. There are now 131 factories operating under the scheme.

The factories have a total investment of about $95 million, providing jobs to 13,000 people and generating exports of more than $250 million.

The manufacturing sector has attracted a lot of investment in recent years and as a result has become one of the fast growing sectors of the economy.

During the 1993 - 1998 period, the manufacturing sector's annual contribution to GDP has remained at around 14 per cent and has contributed to around 25 per cent of total paid employment during the same period.

Whilst this may portray a stagnant sector, it is interesting to note that declining contribution of the dominant sugar industry from 3.7 per cent to 1.8 per cent has been compensated by the growing contributions of the non - sugar manufacturing industries such as garments, footwear, and other food and drinks.

The commercial sector which basically includes the wholesale and retail trade (excluding hotels and restaurants) also display a similar trend contributing to around 12 per cent of GDP annually over the 5 years to 1998. Combined, these sectors contribute to 26 per cent of GDP and 38 per cent of total paid employment.

The commercial agricultural sector's contribution to GDP over the same 5 year period declined from 10.7 per cent in 1993 to 6.8 per cent in 1998 and this is attributed to the decreasing contribution of sugar output.

Investment levels for the past 11 years to 1998 accounted for an average of 12 per cent of GDP. This is well below the 20 per cent average for developing countries. Further, around 70 per cent of investment realized annually is made by the public sector and the remaining 30 per cent by the private sector.

While the actual total investment trend has been generally declining, private sector investment over the past 5 years has remained at 4 per cent of GDP annually.

The immediate outlook up to the end of the year, and for the medium term, indicates a marked improvement in the business environment with continued growth in manufacturing and tourism industries as well as in communications, building and construction and the wholesale and retail sector. Investment, particularly in building is also expected to increase. This improvement can be attributed to a recovery from the effects of Asian crisis and internal natural disasters.

There is a need for a more revitalized private sector. Fiji's commerce and industry sector which is the most advanced amongst the Pacific Island countries still has the potential to expand, diversify and contribute more to the economy.

Government will support political and economic environment in which the private sector can invest and undertake business initiatives with confidence.

It will provide them with political and economic stability, policy transparency and certainly security of their investment.

Amongst the primary strategies for generating economic growth and increased economic opportunities for the people, will be government's effort to raise the level of investment by the private sector through the introduction of special measures and incentives in strategic areas through the development of capital market.

The government values the important contribution of foreign investment in complementing domestic investment, creating jobs and increasing export earnings.

The Foreign Investment Act, 1999 will reduce the time for obtaining Government approval to invest in Fiji for foreign investors. This will encourage the early implementation of investment projects. The Act takes another step forward towards transforming the Fiji Islands Trades and Investment Bureau (FITIB) into a one - stop for investors. The government will also strengthen the FITIB, including its overseas trade offices which will need to become more pro – active and adopt a more targeted approach to attracting investment.

The government will continue to explore opportunities for diversification of investment. The service sector presents such an opportunity.

Fiji has a reserve of educated workforce and the advantage of being 12 hours ahead of GMT through its geographical location, gives great potential to expand the development and investment of the services sector. The services sector is an important sector of Fiji economy through its contribution to Gross Domestic Product (GDP), employment and exports.

Between 1991 and 1998, the service sector accounted for an average of 63.7 per cent of GDP. By comparison the agriculture and manufacturing sector accounted for about 19.3 per cent and 14.4 per cent of GDP in the same period respectively.

The services sector employed over 71.4 per cent of total paid employment over the eight year period from 1991 - 1998, compared to 2.3 per cent in agriculture and 24.4 per cent in manufacturing. Whilst much of this is attributed to the tourism sector, other areas such as education, finance, health, information and telecommunication based services offers potentials for Fiji. To demonstrate this potential, a new company, the National Processing Centre International (Fiji) Limited has been set up at Nadi to undertake data processing and transmissions for Qantas.

The government will soon implement a services sector policy that will guide the promotion of investment and trade in services. To further boost investment and export development, Fiji's first Tax Free Zone (TFZ) in Kalabo has been established and is fully operational. Foreign owned factories operating in the zone are Mark Two Apparel, Consolidated Textile, Manlee Garments, Livia Garments and Eastern Apparel. The five factories have helped to create about 1,500 new jobs and already $10 million of investment has come from them. The construction and administration of the Kalabo TFZ came from a grant of $7.25 million from the European Union (EU). The government also plans to establish rural Tax Free Zones and these have been earmarked for Savusavu, Korovou, Rakiraki, Tavua, Ba and Nadi.

The government has also drawn up a medium term plan to attract more foreign investors through promotion and the development of exports.

The Fiji Islands Trade and Investment Bureau [FITIB] has been active in mounting trade missions to assist the private sector in penetrating new markets. Recent trade missions have visited South East Asia, Australia and New Zealand. Manufacturing exports continue to benefit from preferential trade agreements, including SPARTECA, which allows duty and quota free access for Fiji products to New Zealand and Australia; the Lome Convention to centres in the European Union; and the Generalized System of Preferences which allows goods originating from Fiji preferential access into the United States and Japan; and bilateral trade agreements with some countries. Work is being carried out to further increase membership of bilateral agreements. Fiji has also negotiated double taxation agreements with Australia, New

Zealand, United Kingdom and Malaysia under which exemptions of tax concessions granted by the Fiji Government are not negated by the imposition of tax in the country of residence of the investor. Manufacturing is not the only area offering great potential for investment. There are other national resources such as forestry, tourism, fisheries, aquaculture, agriculture livestock and fruits which also offer huge potential.

SMALL BUSINESS

The government recognizes the crucial role of small businesses and micro – enterprises (SME). They contribute to economic growth through increased production and they create employment and can have a significant effect in reducing rural –urban income inequality and alleviating poverty. The Ministry of Commerce, Business Development & Investment will vigorously promote SME throughout the country through two strategies under the small enterprise development program. Firstly, the Ministry will implement a SME policy that will create a supportive environment for small and micro - enterprises. The policy will include, amongst other things, reducing the regulatory requirements, assisting access to finance, granting appropriate incentives, training in business management skills and integrating small business training in the formal education system.

Secondly, the Ministry will provide support services such as training, developing business ideas, disseminating business information and marketing through a National Centre for Small and Micro- Enterprise Development. The centre will serve as the focal point in the co – ordination of SMS development programs amongst small business agencies within and outside government.

To promote rural industries, the Ministry has already embarked on a study on the promotion of agro- based industries such as rice, poultry, beef, tropical fruits and vegetables.

Government will review some of the current policies on deregulation with the hope of protecting some domestic industries. This measure will be introduced to provide realistic and reasonable protection for those industries that clearly show that it can make adjustment and achieve efficiency. Consumer protection legislation play an important role in ensuring that the poor members of the society are not exploited as they obtain goods and services needed to maintain reasonable standards of living.

The Fair Trading Decree and other existing consumer protection legislation will be more vigorously enforced to safeguard the interests of consumers to promote effective and fair competition. This includes the Consumer Credit Act that will encounter the unfair practices which have been apparent with the provision of hire purchase and other reforms of consumer credit.

The government will also work closely with the Consumer Council of Fiji to identify any gaps where further action is required, to protect consumers and to implement effective educational programs to enable consumers to be aware of their rights and make informed choices in the purchase of goods and services.

The government is designing a technological policy that will promote greater utilization and appropriate technology, to increase production efficiency and improve the production of locally produced goods.

The government would encourage companies which currently enjoy duty concessions on plant and equipment such as those under the Tax Free Zone scheme to utilize these concessions to acquire technology. New and modern

technology will equip our industries with the competitive edge needed to survive in the new global environment.
The Department of Fair Trading and Consumer Affairs (DFTCA) was established in 1993. The DFTCA, formed by a merger of the Trade Measurement Division (formally known as weights and measures) and the Standards and Quality Control Division, has the role of enforcing the National and Trade Measurement Decree 1992, the Fair Trading Decree 1992, the Sale of Goods Act 1979 and the Dumping and Countervailing Duties Act 1998.
The Department is also required to provide the necessary infrastructure for standardization, quality assurance, research and reliability of Fiji - made products and prevent inferior, unsafe products from entering the domestic markets.
Last year, a Commerce Commission was established to ensure that an integrated approach to the regulation of consumer protection, competition and pricing in all sectors of the economy including public utilities is effectively undertaken by government.
The establishment of this Commission reflects the importance of a fair and ethical marketplace.

CO-OPERATIVES

Co-operatives have continued to play a crucial role in the Fiji economy and presently about 29,000 families are involved in the Co-operative movement, representing four per cent of the national population. Co-operatives membership are mostly rural dwellers with a total of 22,000 members of 531 operating cooperative business of various types.
Because of scarcity of trading in rural areas, cooperative type of businesses remain the only cheapest means of providing services at all times, aiming at improving the living standard of the people, both socially and economically.
A total of 672 people are employed by Co-operatives and additional employment is facilitated through the provision of services related to credit production, marketing and inputs supply for the agricultural sector. The majority of Co-operatives are however, consumption and service related, this is shown by the fact that 80 per cent of the jobs are provided by consumer cooperatives, consumer marketing and product marketing cooperatives.
The government will also look at ways of revamping the CO -operative movement as a vehicle for promoting business and industrial ventures. This includes the identification of successful models, strengthening marketing and account keeping and generally the image of the cooperatives sector through better management practices.
The ministry is already finalizing plans to use the extensive network of the Co-operative department to extend advisory services, not merely to cooperatives, but to all small businesses in the four divisions.

DIRECTION OF TRADE

Trade has been a major contribution to economic growth in Fiji. Fiji accepts that the world is moving towards the globalization of trade and thus it’s essential that the country be an active participant in the world market. The ratification of GATT and the membership of the WTO body demands that the country fully prepares itself for the challenge. In particular Fiji must be prepared for changes to special preferential access under the LOME arrangements and closer to home, the country’s export base needs to be

diversified to identify competitive sectors because of the possibility of the continued erosion of the regional trade agreement, SPARTECA. In trying to open up new markets for trade, Government recently entered into two bilateral trade agreements. The first, a non-reciprocal agreement with Tonga in December, 1995 and the second, a reciprocal trade agreement with Papua New Guinea in August, 1996. Bilateral trade discussions have also been initiated with other forum island countries, notably Fiji's Melanesian Spearhead Group partners.
There has been a continuing shift in the direction of Fiji's export trade over the past five years, due to industries such as garment and general free trade approach, adopted by countries including Fiji's major trading partners. The most significant changes have been the reduced proportion of exports [mostly sugar and canned fish] to the United Kingdom from 28.7 per cent in 1990 to 23.6 per cent in 1994; and the rise in the shared of exports to the United States from 9.2 per cent in 1990 to 13.7 per cent in 1994. Exports to New Zealand have also dropped from 16.1 per cent in 1989 to 5.8 per cent in 1994, due to a reduction in garment exports to that country.

EXPORTS

Provisional data on Fiji's Overseas Trade during Quarter 3, 1998 shows total exports (exports plus re-exports) as $295.4 million and imports as $398.3 million. As compared to Quarter 3 of 1997, total imports and total exports decreased by $22.8 million (5.4 per cent) and $4.2 million (1.4 per cent) respectively. Fiji's visible trade deficit (excess of imports over exports) decreased from $121.5 million in Quarter 3 1997 to $102.9 million in Quarter 3, 1998 representing a decline of $18.6 million or 15.3 per cent.
On total exports, domestic exports earned $267.8 million and re-exports earned $27.6 million. Domestic exports in Quarter 1998 rose by $15.2 million or 6 per cent compared to Quarter 3 1997.
Australia remained the principal source of Fiji's imports. Fiji's imports from Australia in this quarter accounted for $164.9 million or 41.4 per cent of the total import value. The deficit (excess of imports over exports) on trade with Australia decreased to $75.9 million from a deficit of $90.7 million in Quarter 3, 1997.
The second biggest source of imports was New Zealand, which accounted for $609 million (15.3%), followed by Singapore $23.6 million (5.9%); Japan $22.9 million (5.7%) and United States of America $20.7 million (5.2%).Main destinations for Fiji's domestic exports were Australia $81.9 million (30.6%); United Kingdom $95.6 million (35.7%); United States of America $29.5 million (11.0%); New Zealand $10.0 million (3.7%); Federal Republic of Germany $7.1 million (2.7%) and Japan $6.5 million (2.4%).

FITIB

The Fiji Islands Trade and Investment Bureau [FITIB] was set up by Government to promote investment in the country.
The Board consists of representatives from the government, private sector and trade unions. It provides information and liaison on all aspects of trade and investment in investment in the country. The Board consist of representatives from the Government, private sector and Trade Unions. It provides information and liaison on all aspects of trade and investment in the country. It also promotes export markets. A wide range of investment opportunities

exist in Fiji. Government encourages and offers incentives in export oriented businesses and in the tourism sectors which is showing steady growth. Recently it opened three trade commissions overseas: Taipei, Los Angeles and Sydney. The aim of these commissions are to assist in increasing Fiji's exports to these countries and attract investment opportunities in the country. Fiji has enjoyed success in labour intensive industries such as the manufactures of garments, footwear and furniture for export and has room for further opportunities. By - products such as molasses from the processing of sugar cane are used in the production of high quality rum. Industrial alcohol which forms the basis of many products, including pharmaceuticals, can be produced on a large scale from sugar cane by products.

DIVERSIFICATION

Australia and New Zealand have continued to be Fiji's major trading partners. But recently Fiji has been actively pursuing trade links with countries in South - East Asia. It is now re -looking at its external trade policies and giving it a new direction and emphasis that it will follow to take advantage of the growth in the South - East Asian market. Foreign investment is encouraged in Fiji, particularly in joint ventures with local people and in the export oriented businesses. Foreign nationals may engage in business in the form of single proprietorship, a limited liability company, an ordinary partnership or a branch of a foreign corporation.

INVESTMENT INCENTIVES

Apart from various tax incentives that the investors may benefit from, there are other incentives that Fiji offers. Goods enjoy preferential and unrestricted access to Australia and New Zealand under the South Pacific Regional Trade and Economic Cooperation [SPARTECA]. Although SPARTECA was signed in 1987, it continues to offer significant viability. While New Zealand has accepted a derogation of 45 per cent from 50 per cent previously, Australia under 50 per cent local content rule agreed inclusion of seven of the requested items by the Fiji government. Fiji derives similar benefits from the Lome Convention which allows former colonies in Africa, the Caribbean and Pacific duty free and the unrestricted access of goods 'originating' in these territories, to the 15 member states of the European Union and from the Generalized System of Preferences [GSP], where by various industrialized nations grant preferential treatment to imports from developing countries.

In light of joining the WTO, trade preferences are eroding with the gradual dismantling of preferential trade agreements. However Fiji with its limited and restricted financial and manpower resources, has been proposing for the extension of trade preferences under the LOME Convention to beyond the year 2000. With Fiji's ratification of the WTO Agreement, transparency is being introduced by the gradual reduction of tariff barriers and the removal of most licenses and subsidies. Policy changes have begun to be made that will offer non-discriminatory trade practices to potential investors.

Current obligations being implemented include the modification of the Customs Valuation System. The country would also have to harmonize to new systems of Sanitary and Phytosanitary Measures, and to new Rules of Origin. In addition policies and procedures will have to be reoriented to account for the complex and technical provisions on antidumping, technical barriers to trade, safeguard measures, and subsidies and countervailing measures. While the sugar industry remains the commercial backbone of Fiji's economy, other main contributors include copra, gold, timber and fisheries. Other secondary industries such as garments, footwear and food processing are also on the increase. Small scale industries which manufacture products for local and overseas markets include aluminum products, agricultural equipment, boats, beverages, cement, furniture, cigarettes, handicraft, plastic products and tea packaging.

MINERAL

The mining sector is important to Fiji for a number of reasons. The sector expanded from a contribution of 2.3 per cent of ADP in 1991 to over 3 per cent of GDP in 1996 as a result of higher production from the Vatukoula mine and the start - up of the Mt Kasi mine. Mining contributed to 11.4 per cent of foreign exchange earnings and 16 per cent of total export tax earnings in 1996. The Vatukoula underground gold mine is the country's largest private employer with over 1600 employees.

Gold is the predominant mineral mined and explored in Fiji. Other mineral production derived revenues are from sand and gravel, quarried stone and coral sand. There are presently two gold mines operating in Fiji, the Vatukoula underground gold mine in northwestern Viti Levu and the Mt Kasi open pit in Vanua Levu. Gold production in 1997 totalled 149,775 ounces (4,658kg). This represents a slight production increase of 2.3 per cent over the 1996 figure compared to a 30.9 per cent increase in 1996.

The Vatukoula gold mine is owned by Emperor Mines Limited, an Australian gold exploration and mining company, and constitutes its core resource. Total ore reserves for the Vatukoula mine are 255,500 ounces of gold with annual production capacity of 135,000 ounces of gold. Together with the mine, the company holds over 900 square kilometers of exploration leases in Fiji. Much of the exploration ground is located in the vicinity of the Vatukoula mine and new deposits continue to be defined by drilling within the mine boundaries.

The Mt Kasi gold mine, owned by Pacific Island Gold, was commissioned in March, 1996. The mine has a gold reserve of 154,400 ounces and was originally designed to produce 35,000 ounces per annum of gold. Numerous commissioning problems, exacerbated by very high rainfall, resulted initially in less than capacity output. Under - capitalization of the project has continued to plague operations. The gold mining sector worldwide has undergone severe perturbations recently as a result of sharply lower gold prices. The low prices have already resulted in cutbacks in mine output and reduced forward sales by producers despite near record demand for fabricators.

These perturbations have had a strong negative impact on the development of the mining sector. The Tuvatu gold project located in the Sabeto valley, around 20 kilometers northeast of Nadi and slated for start - up in late 1998 is now on indefinite hold pending improvement of the gold market. The Mt Kasi mine is encountering severe financial difficulties and its continuance is questionable.

The Namosi copper - gold project is located 35 - km northwest of Suva in Viti Levu. The deposit was discovered in the 1960's and underwent several evaluations by major international mining companies, the most recent of which was Placer Pacific. However, due to its low grade and marginal nature, it was never developed. Royal Oak is presently assembling and evaluating the data from prior work programmes carried out on the Namosi project. Low commodity prices and the marginal nature of the deposit will also delay development of this project. Exploration activity in Fiji has increased strongly with approximately $11.0 million committed during 1997 - 98. This is due, in part, to the lifting of a three – year moratorium on mineral exploration in Vanua Levu. Nearly 70 per cent of Viti Levu's land area and 60 per cent of Vanua Levu's land will be subject to exploration licenses once existing licenses are renewed and applications for new licenses approved. The mining sector presently employs over 2,000 people, of which 90 per cent work at the Vatukoula operations. The remainder are located at the Mt Kasi operations, with 130 employees, or at smaller quarrying operations. Exploration companies also employ casual workers.

GARMENT

Garment industry has grown rapidly in the years since the introduction of the Tax Free Factory/Tax Free Zone (TFF/TFZ) scheme. The Garment Industry is making significant impact as an export commodity. Exports in 1998 rose to over to $250 million. It is now one of the major employers in the economy. It has been largely responsible for the growth experienced in paid employment in the manufacturing sector. The export oriented garment industry was initially heavily reliant on preferential market access to Australia and New Zealand under SPARTECA. However, with the Australian and New Zealand economies becoming more closely integrated and tariffs being reduced, the level of preference in these markets is being eroded. The marketing efforts of the industry are likely to become more focussed and concentrate on the existing markets, with successful penetration of the United States market and increasing attention being paid to the European market.

MANUFACTURING INDUSTRY

The manufacturing sector recorded a decline of 3.4 per cent in 1997 mainly due to decline in production in sugar manufacturing (23.6 per cent) and other food industries (1.0 per cent). The clothing and footwear industries however recorded growth in output of 10 per cent and are growing in terms of its contribution to the economy. The garment industry is now the country's third largest foreign exchange earner, has high employment growth and accounts for around 28 per cent of domestic exports. Paid employment in garment industry alone accounts for over 55 per cent of total paid employment in the manufacturing sector. Employment numbers are expected to increase in this sector, as some new factories commence operations later this year.
The manufacturing sector output is expected to fall by 3.3 per cent in 1998 due to the projected decline in output from sugar of 38.0 per cent and from other food industries of 0.3 per cent. However, the clothing and footwear sector is expected to grow by 12.5 per cent in 1998 as the industry continues to capitalize on existing regional and bilateral preferential trade agreements. A slight increase in output is also expected from other non –food industries. While preferential access to markets is likely to be eroded as a result of globalization of trade, the liberalization process will, however, bring about efficiency into the industry, giving Fiji exporters access to new markets. Government has established various committees to support private sector export efforts and also to ensure that the government performance reorients to export requirements.

BUILDING AND CONSTRUCTION

Higher levels of investment in Fiji will increase demand in building and construction. The construction sector is projected to record 5.0 per cent growth per annum from 1999 to 2001. More rapid growth in the economy will also increase the demand for private house building.

These factors should produce a substantial revival in the construction industry. Government policy is to encourage private construction companies in a competitive industry using local labour and where possible local materials.

INDUSTRIAL RELATIONS

Government introduced the Industrial Association Act in 1942 in recognition of the need to regularize the formation and registration of groups of employer and worker organizations. Currently there are 80 registered trade unions in Fiji with about 45,000 workers in both the public and private sectors. The Fiji Trades Union Congress is the umbrella body of all affiliated trade unions in the country.

The Trade Union Act was enacted in 1964. Its main purpose was to make fresh provisions for the registration and regulations of trade unions. Registration of Trade Unions was made compulsory and a Registrar of Trade Unions was appointed for this purpose.

The Registrar was also empowered to reject the application of any trade union if he was satisfied that any other trade union already registered was adequately representative of the whole or of a substantial number of the interests of those seeking registration. Any seven persons can form a union and can make an application for registration to the RTU provided they meet the provisions of the Trade Union Act. The Trade Union Act makes it obligatory for a union to give 28 days notice of withdrawl of labour if a strike is contemplated in an essential service. The Trade Disputes Act 1971 was established to provide for the settlement of trade disputes and the regulation of industrial relations. It sets out procedures for trade disputes which need to be reported to the Ministry of Labour for settlement either through conciliation or setting up of disputes committee.

However, the labour market reforms implemented in 1991 as part of Government's export-led growth policy saw significant changes to Fiji's industrial relations system. There were amendments to the Trade Unions Act and the Trade Union Regulations, the Trade Union (Recognition) Act, and the Industrial Associations Act. The amendments were made to ensure a balanced conduct of negotiations, trade disputes and trade union affairs. The implementation of the new labour laws has resulted in a more harmonious industrial relations environment with significant moves to improved pay settlements, variability in pay and less industrial disputes.

THE TRIPARTITE FORUM

It was first formed in 1976 to reach a common understanding when dealing with issues which affect the national interest such as industrial relations, job creation, greater flow of investment and general economic and social development of the country. After a lapse of about nine years it was re-established in 1993 and its first meeting was held in May, 1994.

The Forum has no statutory authority but the three parties involved (representatives of the Fiji Trade Union Congress, Fiji Employees' Federation and Government) have voluntarily agreed to abide by the Forum's decisions.

LABOUR RELATIONS

Following the passage of the Constitution Act in 1997, the various pieces of labour legislation (Industrial Association Act, Trade Union Act, Trade Union (Recognition) Act and Trade Disputes Act), had to be amended. The purpose of the amendments was to fill in the gap that was created and to make the legislation consistent with the new Constitution. The amendments have already been passed by Parliament. The new Constitution safeguards the trade union activities and freedom of association. To meet the needs of the modern day labour market and practice, and the provisions of the new Constitution, Government will undertake a comprehensive review of existing labour legislation. A draft Bill is being prepared to consolidate the laws relating to working conditions, registration of industrial associations and trade unions, the recognition of trade unions, the settlement of trade disputes and the provisions of public holidays. The Bill will include provisions relating to equal opportunities, minimum wages, redundancy and a system of procedures for handling personal grievances. The Worker Compensation Act and the Fiji National Training Council Act are to be reviewed. Government will establish a Labour Tribunal and Labour Court to deal with all labour related matters. The Tripartite Forum is to be further developed into a machinery for regular consultations between the three social partners on the economy. The Health and Safety at Work Act, 1996 will be implemented to give the working community social justice as well as health and safety protection.

NATIONAL PRODUCTIVITY CHARTER

The Forum endorsed a national productivity charter which was approved by Government in October 1995. The charter has at its core the creation of jobs and human resources development. It is a crucial part of Government's strategy for social and economic development. It also enhances the development of the productivity movement in Fiji. The movement aims to raise the standard of living of the people and create full employment by producing more goods and services more effectively and at a level of quality sufficient to meet the expectation of customers.

The charter has provided the guiding principles of a new Occupational Health and Safety Legislation. The Health and Safety at Work Act 1996 came into force from November 1, 1997 and many organizations are well advanced in their efforts towards the provision and maintenance of safe and healthy workplaces. This legislation is, with the exception of mining and quarrying, is applicable to all of Fiji's workplaces. It establishes a framework to support improved occupational health and safety through a cooperative and participative approach by all workplace parties.

Among other things, it calls for employers to develop a good understanding of their duties under the Act and to implement new systems and procedures such as work place safety committees.

The legislation also provides for the establishment of a National Occupational Health and Safety Advisory Board, the membership of which is "tripartite", in that all social partners have representation on the Board.