



Moving in the Right Direction



His Excellency The President,
Ratu Josefa Iloilo

President's Mandate for Interim Government

- To continue to uphold the Constitution.
- Where necessary facilitate all legal protection and immunity, both criminal and civil, to the Commander, Officers and all members of the RFMF.
- Give effect to the actions of the RFMF including the respective suspensions, dismissals and temporary removal from office of civil servants, CEO's, those appointed by the Judicial Services and Constitutional Services Commissions, the Judiciary and Government appointed Board members.
- Steady our economy through sustained economic growth and correct the economic mismanagement of the past 6 years.
- Lift up the living standards of the growing poor and underprivileged of our country.
- Restructure the NLTB to ensure more benefits flow to the ordinary indigenous Fijians.
- Eradicate systematic corruption by including the setting up of an anti-corruption unit through the Attorney - General's office and set new standards of Governmental and institutional transparency.
- Improve our relations with our neighbours and the international community and to take our country to democratic elections after an advanced electoral office and systems are in place and the political and economic conditions are conducive to the holding of such elections.
- Immediately as practicable introduce a Code of Conduct and Freedom of Information provisions
- Give paramountcy to national security and the territorial integrity of Fiji.

Road Map to Parliamentary Democracy



Accountability and Good Governance

- In terms of accountability and good governance, the 'Road Map' takes into account the aspirations of the military and the Interim Government.

Census

- Holding of a population census in 2007 to ensure that the Boundary's Commission works with the correct figures, in a geographical location, before determining the constituencies and their boundaries.
- The Bureau of Statistics to take 12-15 months to complete a Census Report before the Boundary's Commission can gainfully use it. This process will take place in 2007 and 2008.

Boundaries

- Boundary's Commission to draw up new open seat constituency boundaries and to ensure that the number of voters is, as far as reasonably practicable, the same.
- The preparation of the new Boundaries is likely to be completed in 2009. The Boundaries Commission will need 6 months to prepare the new Constituency Boundaries to be used in the next election.

Elections

- Elections Office will need up to 12 months to prepare for a General Election. The preparatory work will be done between 2008 and 2009.
- A new system of polling, voting, vote counting and declaration of results, which would take 9-12 months to complete.

Road-Map Review

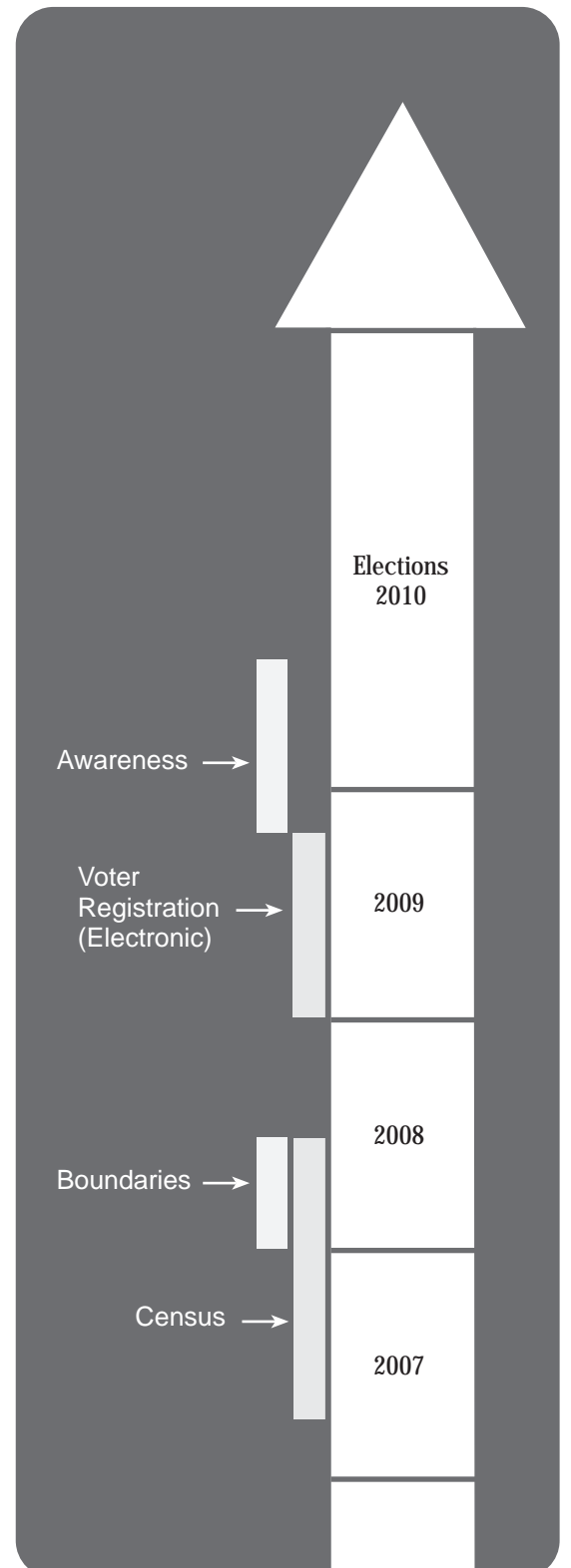
- The 'Road Map' will be subject to a mid-term review in late 2009.

Constitution

- The review of the 1997 Constitution will be carried out in tandem with the 'Road Map' for the return to parliamentary democracy.
- To rid the Constitution of provisions that facilitate and exacerbate the politics of race such areas as the registration of voters and the election of representatives to the House of Representatives through separate racial electoral rolls.
- The abolition of voting in terms of racial classifications. Henceforth, each voter should vote for a candidate of his/her choice in a common roll, with each vote having equal value.
- The review of the Constitution is expected to take two years to complete. A three-member Constitution Review Team will be appointed to undertake the review.
- The Review Team will scrutinise the consequential and non-controversial amendments to the Constitution as proposed by the SVT, Peoples Coalition and SDL Governments, and decide whether those changes are to be effected on the amended Fiji Constitution.
- It will review the current Electoral System in the Constitution and recommend ways in which the electoral process can be altered to remove communal-based elections to the House of Representatives. It will also review relevant provisions of the Constitution relating to the role of the armed Forces and their reporting relationship, and determine any other changes to the provisions of the Constitution deemed necessary to ensure transparent, accountable and good governance in Fiji.

Roadmap for return to Parliamentary Democracy

Milestones	Indicative Time Frame
1. Convene Population Census Collation and culling of Data	15 Months (March 2007 - June 2008)
2. Electoral Boundary's Commission to determine New Boundary configurations	6 Months (Jan - June 2008)
3. Set Up Electronic Voter Registration System	9 Months (Jan - Sept 2009)
4. Conduct Comprehensive Voter Education and Awareness Programme	6 Months (Sept 2009 - Mar 2010)
5. Convene Elections	2010



New Anti Corruption Unit taking Shape



A new Anti Corruption Unit is taking shape in the new Government Buildings, Suva.

This is in line with one of the mandates announced by the President, Ratu Josefa Iloilo on January 4th 2007 which stated "eradicate systematic corruption by including the setting up of an Anti-Corruption Unit through the Attorney-General's office and set new standards of Governmental and institutional transparency".

The Anti-Corruption Unit will comprise a Commissioner and two other members. They will be directly responsible to the President.

Interim Prime Minister, Commodore Voreqe Bainimarama while announcing the setting up of the Commission early this year said that it will be a powerful, fully resourced, independent investigative body, having new and significantly enhanced legal power of surveillance in order to successfully investigate, arrest, detain and prosecute offenders of corruption.

Assistant Superintendent of Police, Nasir Ali is part of an investigation team in the new organisation.

ASP Ali with a nine member team will be cracking down on corruption in all government bodies and organizations.

All members of the team have been long in the service with a proven record in police investigation.

The legislation in respect of the Anti-Corruption is being drafted by the Attorney-General's office in consultation with a Queen's Counsel from New Zealand and Hong Kong.

This is in line with the concept in both the countries. The draft legislation will be examined and then forwarded to the Cabinet for discussion.

Once the Fiji Independent Commission Against Corruption (FICAC) is formally formed through a legislative process when promulgation is made, the team will operate under FICAC.

ASP Ali said they are in the initial stages of the unit's set up and this is in view of one of the top priorities of the interim government.

He said to apprehend the ever escalating corruption in the country, people from various walks of life have already lodged complaints with the military and the AG's office.

He said the team is working with the military to formalise and put in place the procedures that will enable the unit to enforce the law.

"We have already embarked on working at complaints considering the nature of evidence that has been provided and we will be doing a priority listing on the cases that needs to be dealt with without undue delay.

ASP Ali said currently as Police Officers they are utilising the power that is vested in the laws of Fiji.

Once the Anti Corruption law comes into force, the unit will be given additional powers which police do not have at this stage.

Fiji as Beautiful and Friendly as Ever

Government will continue to support the recovery of the Tourism Industry through funding of the Tourism Action Group (TAG) and the Fiji Visitors Bureau (FAV)

Most recently, travel advisories issued by certain Governments following the events of December 5th slowed the flow of visitors to Fiji

Industry stakeholders re-activated the Tourism Action Group (TAG) in a bid to revive visitor arrivals to Fiji and take the industry forward into 2007.

The TAG comprises hoteliers, airline companies, tour operators and FVB. The TAG's recovery plan involves extensive marketing in the two major markets of Australia and New Zealand.

Similar marketing campaigns are also expected to target Japan, North America and other significant Asian markets. TAG's message to the visitors is that "Fiji is still beautiful and as friendly as ever"

TAG's Chairman, Damend Gounder said while waiting for marketing fund from the interim government, the group went into action and began its marketing campaign from the beginning of January.

Through TAG's efforts airlines slashed airfares to Fiji by 40%, while hotels and resorts promoted lucrative and attractive accommodation packages

TAG had been really active in promoting Fiji as a safe destination and their positive action began to show good results with the flow of tourists in the country

The arrival of cruise liners lately and thousands of tourists brought happiness and was a welcome sight for business people and a positive sign for the interim government that tourists appreciated our country's warmth, hospitality and ever smiling faces

The first cruise liner to arrive in Suva was Queen Elizabeth 2. Prime Minister Commodore Voreqe Bainimarama, senior military officers and government officials welcomed the ship at the wharf.

Mr Gounder said the message by the arrival of cruise ships is a good sign and that more cruise ships will arrive in the coming months.

It confirms that Fiji and Suva is quite safe and security and law and order is well maintained.

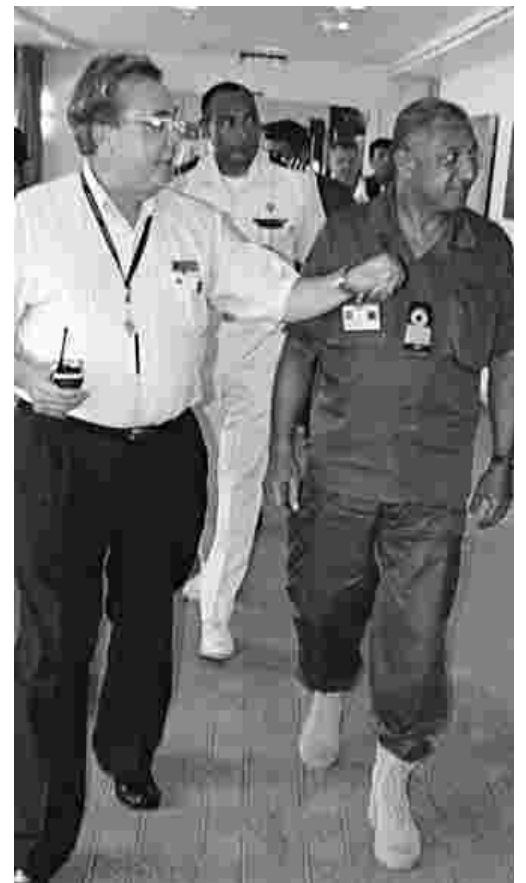
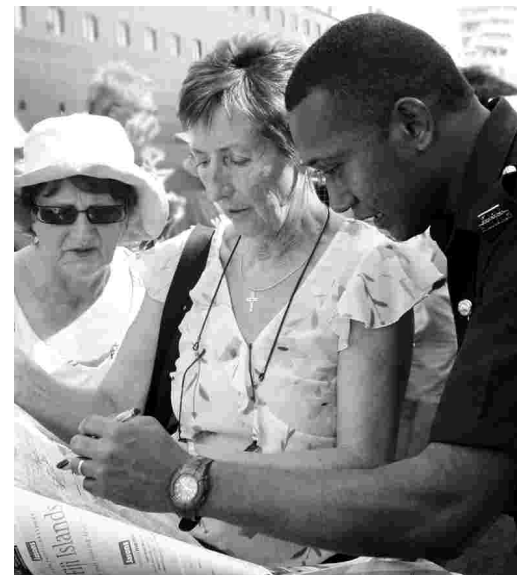
The cruise liners brought good news and it has been very helpful because over 6000 tourists came and used the local facilities.

Tourists felt much safer with the presence of security officers in the city and many would have preferred to stay longer on land and see more of the country.

The group has initiated the "Sharing the Bula Spirit" campaign which is being promoted through TPAE

The main objective of the campaign is to improve the service provided to the tourists, welcoming them, thanking them for coming to Fiji during this difficult time, and make their experience of Fiji more enjoyable and hospitable.

This is the time to embrace Sharing the Bula Spirit Campaign and help move Fiji tourism forward.



Cabinet Decisions Making a Difference

Restructure Government Supplies

- Government Supplies Department to be restructured. Cabinet approved the listing of the (GSD) as a Reorganisation Enterprise. Government would consider various options on the reorganisation of the GSD.

Rehabilitation Programme

- Cabinet has approved that the Government allocate \$600,000 to fund the rehabilitation programme for the redundant EGM mine workers at Vatukoula.

Marketing Recovery Plan

- The Government will provide an additional \$3.8 million to the Fiji Visitors Bureau to fund the marketing recovery plan of the tourism industry. This will be in addition to marketing funds already provided in the 2007 Budget.



Appointment of Directors to Boards

- The Appointment of Directors to Boards of Statutory Bodies, Government Commercial Companies and Other Commercial Companies will now follow a set policy, criteria and processes.

Water and Sewerage

- The Department of Water and Sewerage is to be corporatised. This follows Cabinet's decision to continue with the reorganisation of the Department under its Reorganisation Charter.

Environmental Management Units

- Ministries, departments, statutory authorities and local authorities will establish Environmental Management Units (EMUs). Line Ministries of major importance for the conservation and protection of the natural environment include: Agriculture, Fisheries & Forests, Lands and Mineral Resources, Local Government & Public Utilities, Tourism, Health, Works, Energy and Transport.

Employment Relations Bill

- The Employment Relations Bill is to be enacted. The Employment Relations Act is to come into force on the 1st of October, 2007.

Family Assistance Allowance

- Recipients of the Family Assistance (FA) Allowance will soon have access to three modes of disbursement through Postal Services, ANZ Rural Banking and Colonial National Bank (CNB). From the 1st of July, 2007, recipients will be able to choose whichever option is most accessible and cost-effective to them.

Farming Assistance Scheme

- Redundant Emperor Gold Mine (EGM) Workers will now be able to access assistance from Government's Farming Assistance Scheme (FAS). 170 redundant workers who have opted for farming as an alternative will be assisted under the Scheme. The workers will receive assistance worth \$10,000 each as a one-off payment in kind and not in cash in line with present guidelines and procedures.

Loan Guarantee

- Cabinet has agreed to extend the expiry date of the Fiji Electricity Authority's Government loan guarantee from March to 31st December 2007. The Government guarantee of \$230million is part and parcel of the \$350million FEAs intensive capital investment programme to build new renewable power capacity in order to meet the growing power demand and provide a continuous, secure and reliable power supply for Fiji.

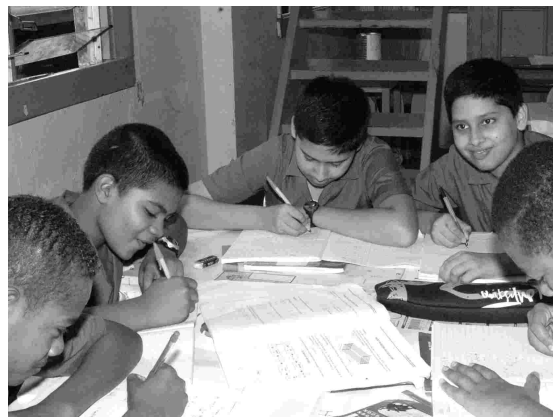
Affirmative Action Policy on Education

- Government's Affirmative Action Policy on Education will be reviewed. Cabinet has approved that relevant amendments be made to the Social Justice Act 2001 Regulations to include affirmative action for all under-performing schools, and the removal of all discriminatory provisions in the Regulations.

The four education programme areas for affirmative action under the Social Justice Act will remain, as the educational gaps and challenges in these areas are still prominent.

Quality of Education

- Government will make an effort to improve the quality of education in primary schools in the country. This follows Cabinet's approved in principle of the need to improve the access to quality education in all under-performing primary schools.



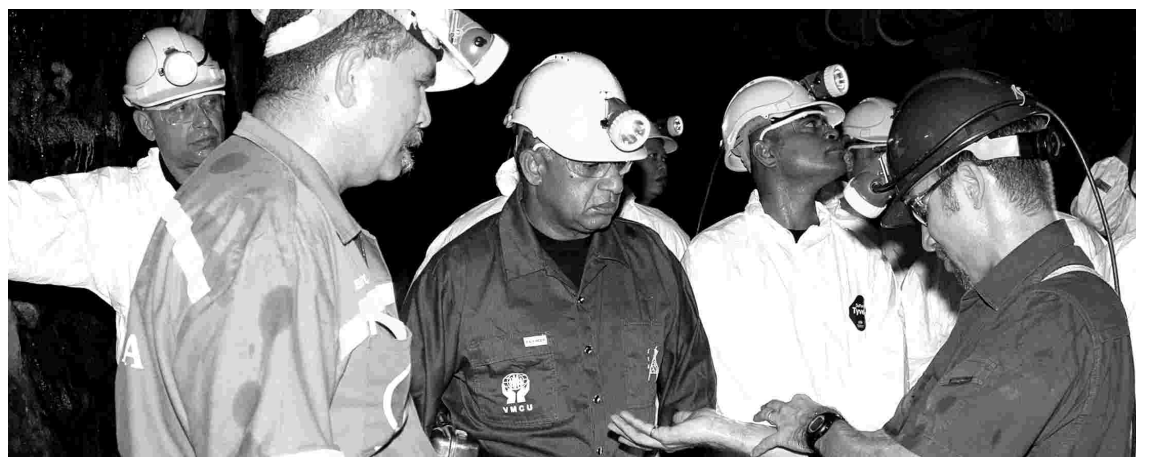
Naboro Landfill

- Government is willing to pay for the opening of the Naboro Landfill during the public holidays, as well as allowing a certain tonnage of waste to be taken to the landfill for free or at discounted gate fees.

This, however, is dependent on the willingness of municipal councils to make an effort to collect all the garbage from areas within their jurisdictions, get rid of illegal dumpsites within their jurisdictions, and strengthen their litter offence inspections and monitoring.

Fees and Charges

- Cabinet has endorsed the Civil Aviation (Fees and Charges) Regulations 2007. This will see an increase in the hourly charge-out rate by the Civil Aviation Authority of the Fiji Islands



(CAAFI) from the current \$22 per hour to \$56.25 per hour.



Interim Accounts Committee

- Cabinet has approved the establishment of a five – member interim Public Accounts Committee to independently scrutinise the Auditor General's reports or any other reports it sees fit for reporting.

Mandatory Standards for Fuel

- Government will introduce mandatory standards for fuel in the country. The mandatory standards would control the level of sulphur content in fuel.

Suva Boys Centre Re-location

- The Suva Boys Center at Devo in Walu Bay will be relocated to Nasinu.

Agreement on Agricultural Technical Co-operation

- Cabinet has endorsed the extension of the current Agreement on Agricultural Technical Co-operation between the Government of the Republic of the Fiji Islands and Taiwan, for another three years from April 27, 2007 – April 24, 2010.

Formation of a National Council for Agriculture, Fisheries & Forests

- Cabinet has approved the formation of a National Council for Agriculture, Fisheries & Forests (NCAFF) The role of the Council is to provide the Minister with policy advice that should enable him /her to lift this sector to new heights of performance.

Strict Adherence to CITES Regulations

- Traders of threatened wildlife in Fiji will have to strictly adhere to regulations under the Convention on International Trade in Endangered Species of wild Fauna and Flora (CITES) which includes abiding by the provisions of the Endangered and Protected Species (EPS) Act 2002.

Water Legislation

- Cabinet has endorsed the promulgation of the Water Authority of Fiji Bill. The Bill makes provision for the establishment, effective management and administration of the Water Authority of Fiji.



Economic Recovery Showing Positive Signs

Prior to the events of December 5, the economy was on a decline as evident by the dwindling reserves as a consequence of rising imports and declining export levels and rising debt levels.

However, it is beginning to show positive results with the current financial management reforms, reforms in the sugar industry, marketing strategies by the tourism stakeholders and the support from all sections of the community.

The overall agricultural production has not been adversely affected by the recent events.

January 2007 forecasts for the agriculture sector projects growth by 2.7% in 2007, 4.2% in 2008 and 2.4% in 2009 respectively. These continuing increases are underpinned by the modest growth in sugar, the livestock sector and other crops. The forestry sector contributes on average 1.3% of GDP and 3.4% of total export earnings.

The current political crisis, fortunately has not affected timber and timber products export. There is a strong domestic market for local timber and timber products. Increasing building and construction activity have boosted domestic consumption.

The mahogany wood supply was projected to increase from 90,000m³ in 2006 to 100,000m³ in 2007 and onward. Mahogany exports had showed an increasing trend to American markets in early 2006 i.e. from harvested mahogany prior to the trickling supply due to road blockages by landowning units.

Pine forest production trend stabilised at 300,000 tons from 2004 – 2006 i.e. with pine wood supply from Viti Levu pine forests. An increased forecast to 450,000tons is projected for 2007 and rising to 500,000tons in 2009 with production from Bua/Macuata coming on-stream. The export markets for the forest sector are not directly affected by the current political crisis. Export earnings from timber and other wood based products averaged \$39.3m over the past 5years. Export earnings in 2005 was approximately \$45.1m and estimated at \$37.2m for 2006. All woodchips are exported to Japan, while Australia and New Zealand are major export markets for sawn timber. Other export markets include the United States,



Malaysia, Indonesia, Philippines and neighbouring Pacific Islands.

The Wairiki port, Bua, Vanua Levu presents the best opportunity to support growth in the short term. The port is expected to be completed in the first quarter of 2007, along with the completion of the Fiji Pine/Tropik Wood chip mill. Production should begin in the second quarter of 2007, with export of pine wood chips directly from Vanua Levu.

The outlook for 2007 remains positive with projected growth of 4.5%, boosted by expected increase in timber exports to \$40.9m as export of chips from Vanua Levu come on stream.

The tuna industry dominates the sector in terms of output and export. The performance in the sector is therefore closely linked to the progress in offshore fisheries. For the past 5 years, fisheries exports have averaged \$82.3m. Exports receipts for 2006 is estimated at \$89.6m, up from \$82.9 in 2005. The development of pearl farming has been the lone success story of recent Government programmes. The interest of farmers continues to grow and the product has potential to make a mark internationally provided the necessary product development support continues to be provided to the industry.

A positive outlook for 2007 is currently projected at 3.5% with an increase in exports receipts to \$94.1m. The projected visitor arrivals for 2007 have been revised downwards from an initial target of 610,000 to our latest forecast at January 2007 to 514,000.

A positive outcome of the current crisis is the cooperation and teamwork that has eventuated among all stakeholders in the industry, including Government.

The Tourism Action Group (TAG) were mobilized soon after the crisis hit and has been very active in putting in place an aggressive marketing in Australia and New Zealand.

The key objective of TAG is to restore visitors confidence in Fiji as a safe and friendly tourist destination. Phase 1 of the recovery plan was focused on increased visitor numbers from the short haul markets of Australia and NZ.

Phase 2 is targeted at the recovery of yield for all operations and focuses on the long haul markets thereby running parallel with the continuing efforts in Australia and New Zealand.

Phase 3 involves integrating efforts in phases 1 and 2 into the FVB Marketing plan of 2007 and more importantly, integrate them with the marketing programs of the industry stakeholders.

The strategies and plans are geared towards ensuring a “bumper to bumper” peak through to July 2007.



Sugar Industry Reforms high on Agenda

From day one since the interim government was formed, it has placed reforms in the sugar industry high on the agenda. Government is now putting more emphasis on greater cane production and upgrading of the sugar mills so that the industry becomes a good revenue earner for the country.

Minister for Finance, National Planning, Public Enterprise and Sugar Industry, Mahendra Pal Chaudhry said work on this is being done by the industry officials and the government agencies like the Ministry of Agriculture to revert land that was previously under cane back to cane farming once more. “Under the sugar reform programme the cane production has to rise by some 1.3 million tonnes. At the moment harvesting is around 3 million tonnes of cane.

He said after the reform program, it should increase to around 4.3 million tonnes of cane to see that the industry is able to sustain itself. “We need the volume and as a result cane production in all the four mill areas have to go up. Vanua Levu has been identified as one of the major areas of growth in this aspect.

Mr Chaudhry said his intention is to fast track the industry restructure and reforms so that necessary mill upgrade

work is done during the slack season before crushing resumes in the middle of the year.

Regarding the Fiji Sugar Research Institute (FSRI) it will of benefit to the entire industry. Mr Chaudhry said the institute has been given an independent role and funded by growers, millers and the Government. It will be revamped so that research and extension work is carried out and through FSRI there is going to be a definite improvement in the cane yield.

In relation to a loan of \$80 million from the Exim Bank in India, Mr Chaudhry said the loan agreement has been executed and part of that loan has been drawn to bring new equipment which is at the Lautoka Mill to be installed so there is no problem with them.



“We have a programme following the restructure and reforms and have certain targets which have been set to be achieved within a certain timeframe, which is off course by 2009.

