



Fiji Revenue and Customs Authority

PRESS RELEASE

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FRCA RECORDS SOLID REVENUE PERFORMANCE

The Fiji Revenue and Customs Authority (FRCA) recorded outstanding revenue collection for the first six months in 2011. Total collections up to June have exceeded the forecast by \$30.3 million.

The Authority's Chief Executive, Mr. Jitoko Tikolevu today stated that this extraordinary performance reflects FRCA's continuous effort to improve revenue collections through robust compliance and enforcement initiatives.

"Total revenue collections of over \$722 million were recorded as at June 2011 against the corresponding forecast of \$692 million". The improved 2011 collections were largely accrued to remarkable revenue performances on VAT, Income Tax, Departure Tax and Water Resource Tax. Collections from these revenue streams were significant and exceeded forecasts.

The improved revenue collections were a reflection of sound business performances over the first half of 2011. Mr. Tikolevu added that although the corporate tax rates were reduced in 2011, total corporate tax collection remained buoyant.

The solid collection was also assisted by improvements in economic growth, particularly the enhanced performances from Fiji's real economic sectors. Total revenue collection as at June grew by 25 percent compared to that prevailing in the same period last year. This massive growth rate also resembles the successful implementation of various government policies such as the Capital Gains Tax, Water Resource Tax and the increase in the VAT rate from 12.5 percent to 15 percent.

For the next six months, Mr. Tikolevu stated that huge challenges remain. “The recovery of outstanding taxes remains a challenge to FRCA.” He added that the Tax Administration Decree (TAD) that was introduced last year has provided FRCA with additional instruments to counter tax evasion in Fiji. He concludes that FRCA however remains steadfast in ensuring that uncollected taxes are realised.

Table - Revenue Collections (Jan-June): 2009-2011						
Tax Types:	2009 (\$m)	% growth	2010 (\$m)	% growth	2011 (\$m)	% growth
Income Tax	200.51	-2%	193.67	-3%	214.57	11%
Customs	157.78	4%	155.98	-1%	156.60	0.4%
VAT	202.27	-2%	215.39	6%	296.20	38%
Others*	9.49	22%	12.22	29%	55.17	351%
Total Revenue	\$570.05m	-0.1%	\$577.26m	1%	\$722.54m	25%

**Others include Hotel turnover, Departure and Resources taxes*

Jitoko Tikolevu
CHIEF EXECUTIVE OFFICER

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