



Fiji Islands Revenue and Customs Authority

PRESS RELEASE

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“Tax revenue collection remained buoyant so far this year as June collection surpassed expectations by **\$5.8m**” said Mr. Jitoko Tikolevu, the Chief Executive Officer of the Authority. Net tax revenue collection for June totaled **\$117m**, representing an increase of **8.4%** over the same period last year. For the first half of the year, net tax collection was **\$571m** which exceeded forecast by **\$14m** and was higher by **5.5%** compared to the accumulated January to June collection last year.

Mr. Tikolevu added that relative to last year’s level and the forecast, increases were noted across all major components of revenue. **Net Income Tax** collection for the month of June exceeded the forecast by **\$6m**. “Better-than-expected performance in Income Tax collection was mainly attributed to favorable collection from corporate tax, withholding & dividend tax and provisional tax” Tikolevu explained.

Net VAT collection for the month of June recorded **\$34.5m**, representing an increase of **1.2%** over the corresponding period in 2007 and above the forecast by **\$1.2m**. Positive VAT collection was mainly driven by relatively good collection from Import VAT and Domestic VAT which continues to show signs of a pick up in consumer demand and economic activity. Cumulative to June,

domestic VAT collection remained **4.2%** higher than that recorded in the same period last year.

“There has been a noticeable improvement in Import VAT collection on an annual basis” confirmed Tikolevu. VAT collection from Imports for June was **9.6%** higher on an annual basis.

This increasing trend in import VAT collection has continued since February 2008 and is due to the higher imports bill and compliance initiatives at the Customs Division. Cumulative to June, total imports grew by **20.7%** over the corresponding period last year. However, on a monthly basis, total imports decreased by **4.4%** in June from that recorded in the month of May. Higher imports value cumulative to June mainly reflected acceleration of prices of mineral fuels, food products and articles of iron & steel on the external front.

Similarly, **Net Customs** collection in June surpassed the last year’s level by **8%** with actual collection amounting to **\$26.9m** but was below the forecast, underpinned by lower-than-expected collection from excise duty and export duty. However, fiscal duty and import excise collection remained strong and was above the forecast. Cumulative to June, **fiscal duty** collection increased by **19.5%** on year on year basis and continues to be dominated by collection from mineral fuels, motor vehicles, machinery & equipment, articles of plastic & rubber, meat, beverages & spirits, articles of iron & steel and dairy produce. Import excise collection on the other hand grew by **44.9%** compared to last year’s level.

In the coming months, the outlook for tax revenue collection remains generally positive as economic activity picks up and as FIRCA continues to improve compliance and collection.

JITOKO TIKOLEVU
CHIEF EXECUTIVE OFFICER

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