



Fiji Islands Revenue and Customs Authority

PRESS RELEASE

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Buoyant Tax Revenue Collection in 2009

“Tax revenue collection in 2009 was buoyant” said Mr. Pio Tikoduadua, Acting Chairman of the Fiji Islands Revenue & Customs Authority (FIRCA) Board. Net tax revenue collection for 2009 totaled **\$1,212.2m**, surpassing the revised projected revenue by **\$24.1m** or **2.0%**. All major revenue components recorded collection above the forecast.

Mr Tikoduadua, added that he was satisfied with this performance as it was achieved on the backdrop of a challenging environment created by the floods in January 2009, the repercussions of the global recession on our domestic economy and the cyclone in December last year.

Net Income Tax collection for 2009 amounted to **\$451.9m**, **higher by 4.4% compared to in 2008 and above the forecast by \$20m**. Positive performance in Income Tax collection was mainly attributed to favorable collection from corporate tax (2.4%) and withholding & dividend tax (78.4%).

Net VAT collection for 2009 recorded **\$402.6m**. VAT collection was mainly driven by relatively good collection from Domestic VAT which increased by **5.4%** relative to 2008.

Net Customs collection in 2009 surpassed the forecast by **\$2.0m** with actual collection amounting to **\$332.4m**, underpinned by higher collection from fiscal duty. **Fiscal duty** collection increased by **2.3%** on year on year basis and was dominated by collection from

mineral fuels, motor vehicles, machinery & equipment, articles of plastic & rubber, meat, beverages & spirits, apparel & clothing, and articles of iron & steel.

Other positive achievements for the Authority in 2009 **were an all-time-high debt collection and the reduction in tax debt levels.** In 2009, arrears collection was **\$85.4m**, the highest ever achieved by the Authority. Tax debt as at 31 December 2009 was **\$84.5m**, representing a decline of **2.1%** compared to 2008. This debt level is the lowest ever achieved in the history of the Authority since its establishment in 1999.

The Authority had to increase its tax refund targets to provide refunds to businesses since Government approved an additional **\$51m** in VAT refunds in June last year. This additional amount had to be taken out of our monthly collection figure and given out to taxpayers as refunds. This measure significantly affected net revenue collection for the months of July to December. **The 2009 revenue collection would have been the highest ever achieved by FIRCA, surpassing 2008 levels (and other years) had VAT refunds remained at the 2008 levels or as originally forecasted.** In 2009, a massive **\$183.8m** was paid out in VAT refunds compared to **\$137.3m** in 2008.

Overall, I am happy with FIRCA's performance and achievements in 2009 and I thank the FIRCA Management and its staff who have worked extremely hard last year to achieve this remarkable performance.

PIO TIKODUADUA
ACTING BOARD CHAIRMAN