



Fiji Islands Revenue and Customs Authority

PRESS RELEASE

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REVENUE COLLECTION FOR THE MONTH OF JULY EXCEEDED FORECAST

The Fiji Islands Revenue and Customs Authority (FIRCA) continued with its strong performance in revenue collection for the month of July. “Tax revenue collection for the month of July exceeded its forecast by **\$6.8m**” said Mr. Jitoko Tikolevu, the Chief Executive Officer of the Authority. Net tax revenue collection for July amounted to **\$110.9m**, representing an increase of **16.9%** over last years’ level. On a cumulative basis, net tax collection exceeded forecast by **\$20.9m** and was higher by **7.2%** compared to the same period in 2007.

Mr. Tikolevu added that relative to last year, increases were noted across all the major components of revenue. **Net Income Tax** collection for the month of July amounted to **\$33.6m**, increasing by **6.0%** compared to the corresponding period last year. “Increase in income tax collection was attributable to positive collection from corporate tax, withholding & dividend tax and provisional tax” Mr. Tikolevu explained. However, collection from PAYE declined by **\$1.6m** attributable to the increase in tax threshold from \$9,000 to \$15,000 which came into effect from 1 June 2008.

Net VAT collection for the month of July totaled **\$45.2m**, higher by **25.0%** over the comparable period in 2007 and above the forecast by **\$6.9m**. Higher-

than-expected VAT collection was mainly driven by strong collection from Import VAT and Domestic VAT which has continued to show signs of pick up in consumer demand and economic activity. Domestic VAT collection cumulative to July was above the forecast by **\$1.5m** and was **5.3%** higher than the comparable period in 2007.

“VAT collection from imports continues to increase significantly on an annual basis” confirmed Mr. Tikolevu. Import VAT collection for the month of July was **52.5%** higher than the corresponding period last year. Cumulative to July, import VAT collection was above forecast by **\$18.4m**. The high import VAT collection is reflecting global commodity price increases in food and fuel which has intensified the imports bill.

Similarly, **Net Customs** collection in July surpassed the forecast by **\$0.7m** with actual collection amounting to **\$29.7m** and higher by **14.2%** compared to the same period last year. According to FIRCA, the increase in customs collection was attributed to positive growth in fiscal duty, import excise duty, excise duty and export duty. Cumulative to July, **fiscal duty** collection increased by **15.0%** on year on year basis and was above the forecast by **\$1.8m**.

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

JITOKO TIKOLEVU
CHIEF EXECUTIVE OFFICER

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