



PARLIAMENTARY QUESTION
FRIDAY, 06 DECEMBER 2024

315/2024

Hon. Jone Usamate to ask the Deputy Prime Minister and Minister for Finance and Strategic Planning, National Development and Statistics – Can the Deputy Prime Minister provide the breakdown of revenue generated for the following in each of the years from 2019 to 2024 –

- a.) Import Duty;
- b.) VAT on Imports; and
- c.) VAT refunds for resale of Imports.

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1. **Table 1** below shows the breakdown of revenue generated from Import Duty, VAT on Imports and VAT refunds from 2019 to 2024 to-date.

Table 1: Yearly Collections on Import Duty, VAT on Imports and VAT Refunds

| Year | Import Duty (\$M) | VAT on Imports (\$M) | VAT Refunds (\$M) |
|-----------------------|-------------------|----------------------|-------------------|
| 2019 | 420.5 | 471.1 | 215.6 |
| 2020 | 304.8 | 334.9 | 237.2 |
| 2021 | 280.8 | 354.0 | 200.0 |
| 2022 | 329.7 | 563.1 | 220.9 |
| 2023 | 343.1 | 715.7 | 301.2 |
| 2024 (Jan-October) | 306.6 | 737.7 | 321.6 |

Supplementary Information

2. The VAT refunds for resale of imports is integrated within the overall total of VAT refunds as the current system used by Fiji Revenue and Customs Service does not capture these transactions separately.
3. Compared to previous years, collections from Import Duty and VAT on Imports in 2023 and 2024 (January to October) have been strong reflecting the economic recovery following the COVID-19 pandemic and changes made to the duty and VAT rates.
4. In the FY2023-2024 Budget, the previous three-tier VAT rates of 0, 9 and 15 percent was amended to two rates of 0 and 15 percent effective from 1 August 2023. Government maintained zero-rated VAT on the existing 21 essential items with the addition of listed prescribed medicines.
5. In terms of the major changes to the duty rates, Government had reduced fiscal and import excise duties on around 2,000 items to either 0 or 5 percent in FY2020-2021. In FY2022-2023, the import duty on used passenger cars was increased by \$1,000, while the duty on new passenger cars was increased by 5 percent. Additionally, import VAT of 9 percent applicable on electric vehicles was reduced to 0 percent. In FY2023-2024, import excise duty on new and used passenger motor vehicles was further increased by 5 percent.
6. In FY2023-2024, the Government had also reduced the fiscal duty on various food products (canned mackerel, corned mutton, corned beef & beef, prawns and duck) from 32 percent to 15 percent. Fiscal duty on sheep/lamb meat was reduced from 5 percent to 0 percent, while fiscal duty on canned tomatoes was reduced from 15 percent to 5 percent. A 3 percent fiscal duty was also imposed on raw

materials in FY2023-2024 and subsequently removed in the FY2024-2025 Budget.

7. In FY2024-2025, the maximum threshold for personal imports concession was reduced from \$2,000 to \$1,000 and with a 15 percent VAT applied. Prior to June 2020, the threshold was \$400 and increased to \$2,000 during COVID-19 Budget to encourage imports for personal use and assistance from families overseas. A 5 percent increase in excise duty for alcohol and tobacco was also implemented in FY2024-2025.
8. For further information, please refer to the Government's Economic and Fiscal Update Supplement to the 2024-2025 Budget Address and Fiscal Performance Report for FY2023-2024, available on the Ministry of Finance, Strategic Planning, National Development and Statistics website (<https://www.finance.gov.fj>).