



GOVERNMENT OF FIJI
MINISTRY OF EMPLOYMENT, PRODUCTIVITY
& WORKPLACE RELATIONS

**Written Question: #51/2026
Parliamentary Order Paper
dated Thursday, 30 April 2026**



**Written Response by the
Minister for Employment, Productivity
and Workplace Relations**

#51/2026: Honourable Premila Kumar to ask the Minister for Employment, Productivity and Workplace Relations – Can the Minister update Parliament with respect to the following:

- a. What the annual labour productivity growth rate in Fiji has been for each of the last eight years***
- b. Whether productivity has increased or declined during this period; and;***
- c. What the productivity levels have been across key sectors such as agriculture, manufacturing, tourism and other services over the last eight years.***

Response by the Minister for Employment, Productivity and Workplace Relations

- a. What the annual labour productivity growth rate in Fiji has been for each of the last eight years?**

Mr. Speaker, Sir, the annual labour productivity growth rate in Fiji over the last eight years has generally shown a pattern of recovery and gradual improvement, particularly following the disruptions caused by the COVID-19 pandemic.

Based on the latest data from the Asian Productivity Organization:

- From around 2016 to 2019, productivity growth was modest, averaging between **2.5% to 3.0% per year**.
- In **2020**, there was a significant **decline** due to the pandemic, as economic activity contracted sharply.
- In **2021**, growth remained subdued but began stabilizing.
- From **2022 to 2023**, Fiji experienced a **strong rebound**, with productivity growth returning to the range of **2.5% to 3.1%**, driven largely by the reopening of the tourism sector and recovery in services.

Mr. Speaker, Sir, allow me to provide further context to better understand these figures. Fiji's labour productivity is now measured more accurately using **output per hour worked**, rather than just the number of workers. This reflects the realities of our economy, where informal and part-time work are significant.

Currently, Fiji's productivity level stands at approximately **\$19 per hour worked** (in constant international dollars). This places Fiji in a **mid-tier position regionally**, performing better than some larger developing economies, but still well below advanced economies. In fact, Fiji's productivity is only about **18% to 20% of the United States level**, indicating strong potential for future growth. Over the longer term, **Mr. Speaker Sir**, our growth has been largely **input-driven**, meaning we have relied more on increasing the number of hours worked rather than improving efficiency through technology and capital investment. While this has supported economic expansion, it highlights the need to shift towards more productivity-driven growth.

Mr. Speaker Sir, for services sector, especially tourism and transport, has been the main driver of productivity gains, particularly after the pandemic recovery. However, manufacturing continues to lag, mainly due to high costs and limited scale.

There are also key challenges affecting productivity:

1. **Low Capital Deepening:** Fiji relies more on adding more labor hours than on equipping workers with advanced technology or IT capital.
2. **Climate Impact:** The APO 2025 Outlook specifically identifies Fiji as highly vulnerable to temperature-related productivity loss. Rising temperatures are estimated to reduce labor productivity by roughly 2.8% to 8.3% per 1°C increase due to heat stress in outdoor sectors like agriculture and construction.
3. **The "Quality" Gap:** While hours worked are increasing, the labor quality (measured by education and skills) has grown at a slower pace compared to East Asian peers.

Mr. Speaker, Sir, while Fiji has made encouraging progress in labour productivity over the past eight years—particularly in the post-pandemic recovery period—there remains significant room for improvement. The focus going forward must be on investing in skills, technology, and climate resilience to ensure sustainable and higher productivity growth for our economy.

**b. Whether productivity has increased or declined during this period;
and**

Mr. Speaker, Sir, over the last eight years, labour productivity in Fiji has generally increased overall, but with a temporary decline during the COVID-19 period (around 2020–2021), followed by a strong recovery from 2022 to 2023.

Mr. Speaker, Sir, allow me to explain this in simple terms. According to the latest **Asian Productivity Organization Productivity Databook 2024 and 2025**, Fiji's productivity trend over the past eight years shows three clear phases:

1. Pre-pandemic period (2016–2019):

Productivity was steadily improving, with moderate annual growth driven by services and gradual economic expansion.

2. Pandemic period (2020–2021):

Productivity declined sharply due to the collapse of tourism and reduced economic activity. The databook highlights that COVID-19 caused major disruptions across Asia, including Fiji, affecting output and efficiency.

3. Recovery period (2022–2023):

Productivity rebounded strongly, returning to positive growth as borders reopened and the services sector—especially tourism—recovered.

Mr. Speaker, Sir, while there was a temporary setback during the pandemic, the overall trend across the eight-year period is positive, with productivity improving and showing resilience. However, it is important to note that this growth has been uneven and largely driven by recovery, rather than long-term structural improvements. The APO databook emphasizes that sustained productivity growth will depend on better investment in technology, skills, and efficiency, not just increased economic activity.

Mr. Speaker, Sir, therefore, the clear message is this: productivity in Fiji has increased overall in the last eight years, but maintaining this upward trend will require continued reforms and smarter investments in our economy.

c. What the productivity levels have been across key sectors such as agriculture, manufacturing, tourism and other services over the last eight years.

Mr. Speaker, Sir, over the past eight years, productivity levels across Fiji's key sectors have shown clear differences. The services sector, including tourism, has consistently recorded the highest productivity, generating about three to four times more value per hour than agriculture. Manufacturing has remained at a moderate but largely stagnant level, while agriculture, forestry, and fishing continue to have the lowest productivity, at less than 20% of the national average.

Mr. Speaker, Sir, allow me to elaborate further in simple terms. The services sector, particularly tourism, wholesale, retail, and transport, is the main driver of productivity in Fiji. Before the pandemic, this sector reached its peak around 2018. During COVID-19, productivity dropped sharply due to border closures, but by 2023 it had recovered to about 90% of pre-pandemic levels. Within this sector, transport and communications performed strongly because they adopted digital technologies more quickly, helping maintain efficiency even during disruptions.

Mr. Speaker, Sir, The manufacturing sector, which includes food processing, beverages, and garments, sits in the middle. However, productivity here has not improved much over the last eight years. One of the main reasons is the lack of investment in modern machinery and technology, as well as high energy costs. In fact, recent data shows that productivity slightly declined in 2023 because wages and costs increased faster than output.

Mr. Speaker, Sir, Turning to agriculture, Mr. Speaker, Sir, this sector employs many of our people but produces the lowest value per worker. A large number of workers are engaged in farming, but much of it is subsistence-based, meaning it does not generate high income or market value. There has been little improvement in productivity since 2016. In fact, during the pandemic, when workers returned to rural areas, overall productivity in agriculture actually decreased because more people were working in low-output activities.

Mr. Speaker, Sir, Fiji's productivity challenge is not just about working harder, but about working smarter. We must continue to support our high-performing services sector while also lifting productivity in agriculture and manufacturing through better technology, skills development, and investment. This will ensure more balanced and sustainable economic growth across all sectors.

Mr. Speaker Sir, the data from the APO Databook was generated from the Fiji Bureau of Statistics data

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