



Head Office
Level 5 Vanua House
Victoria Parade GPO, Suva
Phone: 3300792/3310183
CEO: 3305864
Fax: 3300115
Email:
complaints@consumersfiji.org

Lautoka/West
Suite 4 Popular Building
Vidilo Street
P.O. Box 5396, Lautoka
Phone: 6664987
Email:
consumeritk@connect.com.fj

Labasa/ North
Level 1, Lot 41 Raza Properties Ltd
Nasekula Road
P.O.Box 64, Labasa
Phone: 8812559
Email: colbs@connect.com.fj

27 June, 2018

Consumer Council budget submission on Removal of Duty on food items

Consumers and businesses alike are looking forward to the 2018-2019 budget with various expectations of the new fiscal policies and initiatives Government will implement in the coming financial year.

In May the Reserve Bank of Fiji forecasted that consumer spending is expected to remain strong largely supported by the prevailing accommodative monetary policy and Government's expansionary fiscal policy.

And the Consumer Council of Fiji anticipates that policies beneficial to consumers will again be a prominent feature of the 2018-2019 budget.

Generally, Fijians can expect duty charged on food and drinks to either increase or decrease each financial year. Unfortunately the Council has noted that Government duty reductions on non-price control items and white goods do not always result in savings for consumers. The savings intended by these fiscal policies are not realised by consumers.

With this in mind, the council in its 2018-2019 budget submission has requested that Government consider removing fiscal and excise duty from food items so consumers are able to get further bang for their buck. Removal of these duties will complement the 2015 VAT amendments and ensure further savings are passed on to the consumer.

The Council has also proposed that duty be removed and short periods of price control be placed on items that become essential during periods of natural disaster. These items include products such as candles, batteries, torches, lanterns, bottled water, canned food, biscuits, ropes, etc.

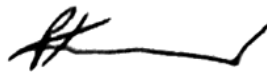
Prices of these essential items are often hiked by traders because of high demand. Traders are aware that consumers are in a hurry to buy essential items to prepare for the natural disaster. Unfortunately, consumers don't have the luxury of time to shop around and the lack of transport services prevents them from moving around.

This trader behaviour was apparent again this year during the flooding in the Western and Northern Divisions caused by tropical cyclones Josie and Keni. Quick action by the Council reigned in this behaviour but more can still be done.

There are similar policies around the world to protect consumers from price gouging during periods of high demand for certain goods. Malaysia for example has a Festive Season Price-

Controlled Scheme (SKHMP),that places “essential festive season goods” under price control during important festivals.

The Council believes that a similar Natural Disaster Price Control Period is essential to not only curtail unscrupulous trader behaviour but also bring a measure of relief to those affected in natural disasters.



.....
Ms. Premila Kumar
Chief Executive Officer
Consumer Council of Fiji