



@CCoFiji



Consumer Council of Fiji



www.consumersfiji.org



Mobile App

30 June 2023

PRESS RELEASE

2023-2024 National Budget

“It’s a budget that will definitely build a stronger economy and an equitable society”.

The significant measures announced in 2023-2024 national budget aimed at bolstering social welfare assistance and alleviating the burden on consumers' everyday expenses, especially in times of global economic uncertainties, is welcomed by the Consumer Council of Fiji. The budget introduces substantial funding for social welfare programs, ensures affordability of essentials and reaffirms the government's commitment to ensuring the well-being and prosperity of Fijian consumers.

Social safety net

While commending initiatives announced in the national budget, CCoF Chief Executive Officer Ms Seema Shandil stated that the new budget has allocated substantial resources to expand and enhance social welfare assistance programs across the nation. Strengthening the social safety will uplift vulnerable segments of society and promote equal opportunities for all citizens.

“The 15%, across the board increase in social welfare assistance and 25% increase in allowance for those over 70 years of age will increase the purchasing power of the needy population. This will have a cushioning effect on the vulnerable and the lower- and middle-income earners,” stated Ms Shandil.

The social assistance mentioned above has been further complemented with the continuation of VAT exemption on 22 essential items – this will enhance the standard of living and address the needs of the most vulnerable members of society

Access to health services

The exemption of prescribed medication from VAT is another key announcement in the national budget that would ensure consumers have adequate and appropriate medical care.

“The exemption of VAT on prescribed medication is a resolute step toward ensuring that individuals have affordable access to essential healthcare resources. This will actively promote public health and well-being, especially for those who depend on medication to manage chronic conditions or address acute medical needs. This policy announcement also demonstrates a deep understanding of the challenges faced by individuals requiring regular access to vital healthcare treatments,” Ms Shandil further alluded.



The continuation of the public private partnership whereby Fijians with combined family income of less than \$30,000 will be able to access health services in selected private is also welcomed.

Education

The back-to-school support of \$45 million, continuation of free education for and secondary school students and the introduction of Fijian scholarship scheme is another good news for consumers as it means they will not have to fork our money from their already constrained wallets and will be able to use this money for other necessities.

“The provision of free education is a transformative measure that ensures every student has the opportunity to pursue their academic goals, regardless of their socio-economic background. By removing financial barriers to education, the government is fostering a more inclusive society, where talent and potential can flourish unimpeded,” added Shandil.

Food products

While the VAT rate has increased to 15 percent, the Council notes there has been significant reductions in fiscal duties from 32 percent to 15 percent on a range of food products (canned mackerel, corned mutton, corned beef, prawns and duck) as well as imported lamb/sheep. This will ensure that consumers are able to enjoy a variety of meals apart from the locally grown fresh produce.

“The Council is emphasizing that these reductions in the excise duties must be passed down to the consumers, to ensure that consumers reap the benefits of it. Traders are cautioned to recognize their responsibilities towards consumers and play a proactive role in easing the burden on them. We will be closely monitoring the market to ensure the benefits actually trickle down to consumers,” added Ms Shandil.

Efforts to combat Non-Communicable Diseases (NCDs)

Given the health and socio-economic havoc which NCDs is dishing out, the Council also welcomes the imposition of higher excise duty on alcohol and tobacco products, as well as the carbonated sweetened beverages, ice cream, snacks, sweet biscuits, and confectionaries.

“The new elevated prices for the abovementioned products would encourage consumers to rethink consuming unhealthy foods, and opt for healthier foods and consumption habits. It is crucial to note the type of products we consume; as it is a mere reflection of our health”, said Ms Shandil.



@CCoFiji



Consumer Council of Fiji



www.consumersfiji.org



Mobile App

Consideration of Council's submission on behalf of consumers

Ms Shandil has also thanked the government for considering key elements in the Council's budget submission.

“The Council's submission called for continuation of VAT exemption on the 21 basic essentials and the first home buyers' program, increase in taxes on alcohol, tobacco products and food products with high sugar and salt content and maintaining the current \$30,000 threshold for taxable income. The fact that these were considered and announced in the budget reinforces that the voice of consumers has been reflected in the national budget.

While the Council continues to urge consumers to adopt fundamental budgeting principles and exercise prudence and emphasizes that there is motivation to spend wisely, yet an even stronger motivation to save.

Ms Seema Shandil

Chief Executive Officer