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PRESS RELEASE

A Step Forward for Increased Consumer Spending Power

The Consumer Council of Fiji warmly welcomes the recently announced 2024/2025 National Budget, recognizing it as a significant step towards enhancing the financial well-being of Fijian consumers. The budget introduces several key initiatives aimed at improving the purchasing power of citizens, ensuring greater financial security, and addressing consumer-centric issues.

The announcement of a 7-10% increment for salary earning civil service employees, and a 10% to 20% increment for wage earning civil servants marks a significant step forward in improving the financial stability of thousands of families across Fiji. Since the government is the largest employer in Fiji, this pay rise is expected to enhance the disposable income of civil servants, enabling them to better support their households and contribute to economic growth. Coupled with this, the increase in the National Minimum Wage to \$4.50 effective 1st August 2024, with a further increase to \$5.00 by 1st April 2025, will directly bolster the earnings of the lowest-paid workers, ensuring that all Fijians can meet their daily needs.

Furthermore, after years of lobbying by the Consumer Council of Fiji, the government has established a Financial Services Ombudsman within the Reserve Bank of Fiji. This initiative will provide accessible and effective complaint handling and dispute resolution services, significantly enhancing consumer protection in the financial sector. By elevating the existing complaints management structure, this Ombudsman will ensure that all members of the public, particularly those facing unique challenges, have a reliable mechanism for seeking redress and resolution in financial matters.

The budget also allocates \$200 million to the Ministry of Women to increase social welfare allowances, reflecting a strong commitment to supporting vulnerable populations. The restructuring of the transport scheme to provide cash allowances instead of bus fare top-ups from 1st August ensures that elderly citizens and persons with disabilities without access to public transport services receive financial support. While the entitlement age for these benefits has been raised from 60 to 65 years, the overall increase in social welfare funding is a significant step towards addressing the needs of our most vulnerable citizens.

Continuing essential subsidies and support programs, the government has maintained the electricity and water subsidies, free education and transport assistance, and the back-to-school support program. These measures are crucial in alleviating financial pressures on households, ensuring that basic utilities, education, and transportation remain accessible and affordable for all. The continuation of the free medicine scheme for income earners below \$30,000 further underscores the government's commitment to maintaining public health and well-being. Additionally, the removal of the 3% Duty on imported raw materials is a welcome change that



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is expected to lower production costs, potentially reducing prices for consumers and fostering a more competitive market environment.

The Council applauds the recent 5% increase in excise tax on tobacco and alcohol. This policy is a welcome step towards improving Fijian public health. By making these products less affordable, the tax hike discourages consumption and helps alleviate the strain of non-communicable diseases (NCDs) on the healthcare system. The Council has long advocated for such measures to address this critical national issue.

Overall, the 2024/2025 National Budget introduces a range of initiatives that are expected to significantly enhance the financial capacity of Fijian consumers. By focusing on salary and wage increases, enhanced social welfare programs, and strengthened consumer protection mechanisms, the government has taken substantial steps to bolster consumer spending power and ensure a higher standard of living for all Fijians.