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## PRESS RELEASE

### 2025/2026 National Budget—A Socially Responsive Budget

The Consumer Council of Fiji welcomes the 2025/2026 National Budget as a timely and decisive response to the financial strain felt by thousands of consumers across the country. This morning's Budget announcement can be seen delivering a meaningful relief through targeted measures that address the persistent cost-of-living pressures affecting households nationwide.

A major highlight of today's announcement is the reduction of Value Added Tax (VAT) from 15% to 12.5%—a move set to ease financial pressures across the economy. This cut is expected to lower prices on essential goods and services, providing much-needed relief to households struggling with rising costs. The Council has long championed a fairer, consumer-focused tax regime, and this reform marks a positive shift toward alleviating the cost-of-living crisis.

Consumer Council CEO Seema Shandil described the VAT reduction as both bold and necessary. "This VAT reduction is a bold and welcome move," she said. "But now, the real work begins. For a long time, when VAT was increased, retailers were quick to pass on the added cost to consumers. Yet, when taxes are reduced, those savings are not always reflected on the shelves, instead, they're often absorbed as extra profit."

To address this issue and safeguard consumer interests, the Government has announced the establishment of a National Price Monitoring Taskforce. This initiative will bring together key enforcement agencies including the Consumer Council of Fiji, the Fiji Competition and Consumer Commission (FCCC), and the Fiji Revenue and Customs Service (FRCS). The taskforce will be responsible for ensuring that the tax and duty reductions are properly implemented by retailers and that consumers see the benefits of these changes in real terms.

Ms. Shandil affirmed the Council's commitment to this effort, stating, "We will be working shoulder-to-shoulder with our counterparts at FCCC, FRCS, and the Ministry to strictly monitor retail pricing. This is not a time for complacency. The Fijian people deserve to feel the full benefit of these decisions, and we will ensure that happens."

The Budget also includes significant reductions in import duties for a range of essential food items. Chicken portions and offals such as giblets and liver will now attract a reduced duty of 15 percent, down from 32 percent. Duty on fresh fruits and vegetables — including tomatoes, cabbage, lettuce, cucumber, eggplant, pumpkin, bananas, avocados, mandarins, watermelons and pawpaw remains at five percent. Other fruits and vegetables such as apples, carrots, grapes,

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mushrooms, celery, broccoli, and nuts will also remain duty free. Potatoes, garlic, onion, tea, and cooking oil will continue to be duty-free as well. Meanwhile, frozen fish, including salmon, and canned fish products will also see duty eliminated entirely.

Ms. Shandil emphasized that these reductions have the potential to significantly improve household nutrition and food affordability. “These are real changes with the potential to impact the nutritional security of families. With key staples now cheaper to import, we expect retailers to bring down prices accordingly, and we will be watching closely.”

In addition to food and tax relief measures, the Budget also includes targeted support in other areas that directly affect consumers. A ten percent bus fare subsidy can also be seen to help ease the financial burden on daily commuters and support lower-income earners who rely heavily on public transportation. This subsidy acts like a small "pay raise" by reducing their cost of living. A 10% reduction directly cuts daily transport costs, leaving more money for other expenses. Furthermore, a VAT refund scheme has been announced for residential construction projects valued up to \$120,000. This measure is expected to reduce construction costs and encourage more families to invest in building or upgrading their homes.

The newly implemented progressive measures, designed to support vulnerable populations and foster healthier living, represent a positive step forward. A 5% monthly increase for social welfare recipients and government pensioners will enhance financial resilience amid rising living costs. Simultaneously, the elimination of the 15% duty on no-sugar-added juices makes nutritious beverages more affordable, encouraging healthier consumption habits. Conversely, the new 15% duty on unhealthy processed snacks like puffed chips serves as a deterrent against excessive consumption of these foods. Together, these policies demonstrate a balanced approach to economic relief and public health improvement, helping build a more secure and health-conscious society.

Whilst the Consumer Council reiterates its support for the budget's direction but stresses that the implementation phase will be critical, retailers are urged to pass on every cent of the savings to their customers. The Council will not hesitate to take action against non-compliance.

Consumers are also encouraged to remain vigilant and report any instances where price reductions are not being honoured after the measures take effect. Complaints can be made through the Council's toll-free helpline 155 or via its email platform [complaints@consumersfiji.org](mailto:complaints@consumersfiji.org).

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