

Fiji Budget 2026/27

26 June 2026

The Honourable Minister for Finance, Commerce and Business Development, Esrom Immanuel presented the 2026/27 Budget on Friday, 26 June 2026 with the theme “**A Responsible Budget for Sustainable Future**”. This budget newsletter sets out highlights of the budget measures

Highlights of the budget

Budget deficit of \$1.045 billion

(or – 7.0% of GDP) for 2026/27

Forecast **export** growth of **7.3%** in **2026**, **1.7%** in **2027** and **2.3%** in **2028**

Export income deduction incentive expired in the **2025** tax year

Remittances

increased by 2.6% in 2025, and forecast growth of **8.3%** in **2026**

Foreign reserves of **\$3.36 billion**, equivalent to **4.7 months** of imports

Revised **growth** forecasts of **2.5%** in **2027** and **1.5%** in **2026** following growth of 3.0% in 2025 and 3.5% in 2024. Forecast for 2028 is 3.0%

Introduction of **5% Tourism Services Tax** on **hotels** and **tour operators** with annual turnover of **\$2 million**

Targeted **cost of living** support

Fiji **removed** from **EU blacklist**

\$476.9m allocated to **Health**

Inflation of 0% in 2025, and forecasts of **6.5%** in **2026** and **2.4%** in **2027**

Debt to GDP forecasts of **84.8%** for **2026** and to grow to **86.9%** in **2027**

Reduction of **employer FNPf** to **8%** from **1 August 2026** for 12 months

Tax incentive for companies with minimum **30% i-Taukei** participation

\$708.3m allocated to **Education**

Economic Outlook Statistical Analysis

	2026/27 Budget \$M	2025/26 Revised \$M	2024/25 Actual \$M	2023/24 Actual \$M	2022/23 Actual \$M
Direct taxes	1,074.2	1,142.2	1,137.7	1,009.1	659.4
Indirect taxes - VAT	1,349.1	1,378.6	1,466.2	1,364.1	968.8
Indirect taxes - Customs	636.8	628.0	592.6	551.9	471.7
Indirect taxes - Service Turnover Tax	-	0.1	0.4	0.2	0.1
Indirect taxes - Water Resource Tax	67.7	65.7	77.9	72.0	74.7
Indirect taxes - Departure Tax	167.5	165.9	123.0	89.2	61.7
Stamp duties	-	-	-	0.1	0.2
Environment and Climate Adaptation levy	10.1	10.0	9.6	9.4	8.3
Other levies	0.8	0.8	0.6	0.8	0.8
Fees, fines, charges & penalties	180.4	173.7	160.7	154.2	161.7
Other income	330.3	318.9	403.0	385.2	300.2
Total operating receipts	3,816.8	3,883.8	3,971.7	3,636.1	2,707.6
Total operating payments	(3,994.2)	(3,878.1)	(3,257.2)	(3,059.8)	(2,566.4)
Net operating (deficit)/surplus	(177.4)	5.8	714.5	576.4	141.2
Investment receipts	7.5	10.2	4.9	10.0	3.0
Investment payments	(875.7)	(792.3)	(1,056.9)	(1,034.0)	(983.7)
Net (deficit)	(1,045.5)	(776.4)	(337.5)	(447.6)	(839.4)
Percent of GDP	-7.0%	-5.5%	-2.5%	-3.4%	-7.1%

Other Key Economic Outlook Indicators

	2027 Forecast	2026 Forecast	2025 Provisional	2024 Provisional	2023 Actual
Economic growth in percent	2.5	1.5	3.0 ^e	3.5	9.4
Debt to GDP in percent (fiscal year)	84.8	77.5	79.0	83.4	90.7
Inflation rate in percent	2.4	6.5	- ^a	(0.2) ^a	4.8
Visitor arrivals in pax	1,023,349	1,003,283	986,367	982,938	929,740
Sugar export in FJD millions	81.1	75.3	48.4 ^e	122.2	145.3
Other commodities exports in FJD millions	316.3	301.2	267.5 ^e	175.8	102.7
Fresh fish exports in FJD millions	36.4	33.3	40.0 ^e	48.9	31.8
Mineral water exports in FJD millions	339.5	329.6	316.9 ^e	351.2	356.4

General commentary

- With the theme “**A Responsible Budget for Sustainable Future**”, the 2026-2027 National Budget is positioned as a fiscally disciplined response to growing economic pressures. The Government has emphasised expenditure restraint and debt stabilisation, while continuing to prioritise social protection and essential services. The Budget aims to maintain stability in a volatile global environment by managing fiscal imbalances and creating conditions for private sector-led growth.
- Budget measures focus on managing cost of living pressures without introducing broad tax increases. The VAT rate remains at 12.5 percent alongside continued zero-rating of essential items. Targeted relief is provided through subsidies for public transport, electricity support for low income households, and ongoing social welfare programmes. The Budget also includes measures to support businesses, including a temporary reduction in the employer FNPf contribution rate and targeted tax incentives to encourage investment in priority sectors.
- The growth outlook has been revised down to 1.5 percent for 2026, reflecting the impact of the global fuel crisis and external pressures. Medium-term growth is expected to average around 3.0 percent, although this will depend on increased private sector investment, improved productivity, and successful implementation of major infrastructure projects. The Government has signalled a shift towards capital investment and structural reform to support long-term economic resilience.

Budget principles



It is realistic, disciplined and focused on delivering real outcomes for our people. Every dollar has been carefully prioritised and directed towards areas that matter most.

- Hon. Esrom Immanuel

Minister for Finance, Commerce and Business Development

2026/27 Fiscal policy principles

The overarching objective of the Government's 2026/27 Medium-Term Fiscal Strategy is to reinforce fiscal discipline while safeguarding macroeconomic stability in a more constrained and uncertain global environment. The strategy places a strong emphasis on restoring fiscal sustainability through prudent expenditure management, strengthening the efficiency and quality of public spending, and ensuring better value for money across Government programmes.

At its core, the strategy is anchored in directing limited resources towards high-impact priorities that support economic growth, improve service delivery, and protect vulnerable households. This includes a deliberate shift towards expenditure restraint, the elimination of low-priority spending, and a stronger focus on capital investment that enhances productivity and long-term development outcomes.

The fiscal framework also reflects a commitment to maintaining resilience against future shocks by rebuilding fiscal buffers, managing debt responsibly, and promoting a more sustainable balance between operating and capital expenditure. At the same time, the strategy continues to support inclusive growth by addressing key socio-economic challenges and ensuring that fiscal policy remains responsive to the needs of households and businesses.

Overall, the Government's approach for 2026/27 seeks to strike a careful balance between fiscal consolidation and growth, with a clear focus on building a more sustainable, resilient and future-ready economy.

Revenue policy

Government's revenue strategy is focused on improving compliance, broadening the tax base, and strengthening tax administration rather than relying on higher tax rates. Key priorities include removing exemptions and distortions over time, enhancing digital tax systems such as e-filing to improve compliance, and simplifying the tax regime to encourage voluntary compliance. There is also an ongoing review of the VAT system, with a longer-term aim of moving towards a more streamlined structure, while ensuring support for vulnerable groups.

Expenditure policy

Expenditure policy is centred on improving the efficiency and quality of public spending while containing overall expenditure growth. Government aims to rebalance spending towards productive capital investment, strengthen monitoring and value for money, and tighten control over operating costs. There is also a focus on prioritising essential programmes, improving project appraisal processes, and encouraging greater private sector participation in infrastructure delivery.

Debt policy

Debt policy is focused on minimising borrowing costs over the medium to long term while maintaining prudent risk levels. This will be supported through greater use of concessional financing, refinancing higher-cost debt, and improving the maturity profile of Government borrowings. In addition, Government aims to deepen the domestic debt market, diversify funding sources, and actively manage risks related to refinancing, exchange rates, and contingent liabilities.

Income Tax

Measures introduced:

- introduction of a 150 percent tax deduction for businesses for the full amount of expenditure incurred within a tax year on the establishment of new sporting facilities
- introduction of tax holiday and import duty concessions for businesses setting up a new cement mill
 - businesses that invest \$20 million or more will qualify for a 13-year tax holiday
- introduction of tax holiday and import duty concession for businesses setting up a new mahogany sawmill
 - businesses that invest \$5 million or more will qualify for a 5-year tax holiday, with the option for renewal subject to review

- introduction of tax holidays and import duty concessions for companies with a minimum 30 percent i-Taukei shareholding, establishing eco-tourism, culture and arts business centres, as follows:
 - 7 years where investment of \$5,000,000 to \$10,000,000
 - 13 years where investment of \$10,000,001 and above
- introduction of tax incentives for animal centres:
 - tax holidays and import duty concessions for businesses setting up new animal centres, as follows:
 - 5 years where investment of \$100,000 to \$250,000
 - 7 years where investment of \$250,001 to \$1,000,000
 - 13 years where investment of \$1,000,001 and above
 - 200 percent tax deduction for donations made to animal centres including veterinary, sanctuaries and other animal support facilities
- introduction of a 200 percent tax deduction for cash sponsorship not less than \$100,000 made to the Bula FC
- introduction of a 150 percent tax deduction to support the installation, implementation and operation of Electronic Fiscal Devices
- introduction of an accelerated depreciation allowance for the construction of fuel and gas storage facilities
 - depreciation can be claimed at the rate of 20 percent over 5 years
- introduction of tax incentives for access to business funding:
 - 5-year tax holiday for licensed Peer-to Peer Lending (P2PL) and Equity Crowdfunding (ECF) platform providers
 - exemption from tax on interest income for investors in a licensed P2PL platform for investments up to \$200,000 per year. Any excess investment above this threshold will be taxed under general rules
 - exemption from tax on interest income for institutional investors in a licensed P2PL platform. Investment cap will be aligned to the Access to Business Funding (ATBF) Act

- exemption from Capital Gains Tax (CGT) on the disposal of shares for listed companies that have undertaken transactions enabled by the ATBF Act
- introduction of a 150 percent investment allowance for businesses that establish training centres, institutes or technical centres to upskill their workforce
- introduction of prior approval requirement from the CEO for writing off inventory or assets exceeding \$250,000
- introduction of a 100 percent accelerated depreciation incentive for businesses that set up Electric Vehicle charging stations
- introduction of provisions that will require multinational enterprise (MNE) groups operating in Fiji with global revenue of EUR750 million or more to file a country-by-country report
 - this report will set out the group's operations, profit allocation, economic activities, and taxes paid across jurisdictions

Amendments to existing provisions:

- amendment to the Fijian Drua donation cash sponsorship threshold which will be lowered from \$250,000 to \$100,000 while the 200 percent deduction will be maintained
- amendment to the employment incentives provisions:
 - extension of the 300 percent tax deduction for wages or salaries paid for work placements, apprenticeship and part-time workers until 31 December 2027
 - extension of the 400 percent tax deduction for wages or salaries paid to persons with disabilities until 31 December 2027
- extension to the Sub-division of Land Incentive until 31 July 2030
- amendment to the re-organisation of group companies provisions to allow for the CEO's discretion in cases where companies wish to restructure but do not meet the standard requirements
- amendment to the definition of ICT business in the ICT Infrastructure Investment Incentive Regulations to align to the ICT business definition in the Tax Free Region Incentive Regulations
- amendment to the Tamavua Tax Free Region incentive to limit the tax holiday to 31 December 2028

- extension of the loss carry forward provision for companies in the aviation sector that offer international flights, from 8 years to 15 years
- amendment to the CGT administration provisions to require taxpayers to notify the tax office if planned capital disposals are not executed where a CGT certificate was issued
- amendment to the monthly provisional tax filing requirements to also include details for businesses holding a Certificate of Exemption
- amendment to employer excess Fiji National Provident Fund contribution where the employer contribution exceeding the mandatory 8 percent and up to 10 percent will be eligible for a 150 percent tax deduction on the excess amount

Tax Administration

Measures introduced:

- introduction of beneficial ownership framework to ensure that the ultimate natural persons who own or control legal entities (such as companies, trusts and partnerships) are properly identified and held accountable
- introduction of new provisions to allow the annual automatic exchange of financial data account between tax jurisdictions for the purposes of Automatic Exchange of Information (AEOI)
- introduction of a new provision to permit, where there is a charge by the FRCS, the sale of a taxpayer's property with the taxpayer's consent, without the need to obtain a court order
- introduction of a new provision to protect tax officers when taxpayers behave violently or act in a non-cooperative manner during the course of tax administration
- introduction of new provision to expressly authorise the collection, administration, and utilisation of Tax Agents License Fees through FRCS accounts and financial systems

Amendments to existing provisions:

- alignment of the VAT refund claim period for diplomatic missions and international organisations to the general 3-year rule
- increase of the debt write-off amount that can be approved by the CEO from \$100,000 to \$500,000

- amendment of the accounts and records provision to ensure that taxpayers maintain records in a manner that enables the CEO to readily ascertain tax liability. This ensures that disorganised, incomplete, or unsequenced records will no longer suffice, even if documents technically exist
- amendment of the power to enter and search provisions to ensure that any evidence (document, record or data storage device) collected during tax crime investigations is admissible in Court

Value Added Tax (VAT)

Amendments to existing provisions:

- introduction of a new provision under the special time of supply rules for the tourism industry. VAT on supplies to be accounted for at the time of checkout or at the end of the stay
- application of import VAT to electric motor vehicles at the time of importation
- exemption of import VAT on the importation of capital goods for the establishment of a drug rehabilitation centre

Fiji Revenue and Customs Service

Measures introduced:

- introduction of a new provision to allow the publication of names of tax agents whose licenses have been suspended and/or cancelled

Amendments to existing provisions:

- amendment to the secrecy provision to allow revenue officers to release information to representatives of taxpayers

Customs

Measures introduced:

- introduction of a new provision to empower customs officers to question traders associated with any uncustomed imported, exported and excise goods

Amendments to existing provisions:

- extension of the examination of goods provision to include:
 - chemical analysis or any other testing
 - valuation of goods

- extension of the customs offence provision to include the failure to produce documents required under any customs law
- extension of the duty recovery period from 1 year to 5 years in line with the customs audit period
- extension of the licensing provision to include cargo agents
- update of the definition section include the licensing of cargo agents, customs agents, freight forwarders, yacht agents, and bonded consol freight stations
- extension of the licensing provision to include yacht agents. The licensing fee for yacht agents to be \$5,000 for a 3-year period
- extension of the definition of a superyacht agent to include a yacht agent licensed under Section 148 of the Customs Act

Customs Regulations

Measures introduced:

- formalisation of the waiver of special attendance charges for Authorised Economic Operators (AEOs)

Customs Tariff

Fiscal duty increase:

- from 5 percent to 10 percent on new passenger vehicles
- from 5 percent to 15 percent on used vehicles

Fiscal duty decreases:

- from 5 percent to 0 percent on new 10-to-15-seater passenger vans
- from 5 percent to 0 percent on surveillance cameras
- from 32 percent to 15 percent on plastic tableware and kitchenware items
- from 32 percent to 15 percent on flavoured milk
- from 32 percent to 15 percent on aluminium structures such as doors and windows
- from 32 percent to 15 percent on PVC boards
- removal of fiscal duty on plant-based protein food preparations

Changes to concession codes:

- alignment of fiscal duty on motorboats less than 7.5m in length to HS code 8903.99.90 at the rate of 32 percent

- exemption of fuel duty to be extended to the following sectors based on the following conditions effective from 1 July 2026 to 31 October 2026:
 - Hotels – eligible only if not connected to the EFL grid
 - Mining operations – limited strictly for power generation
 - Manufacturing companies – applicable only to approved manufacturers that use diesel for power generation, specifically for boilers

The fuel concession will not be extended for vehicle use

- removal of Concession Code 115 - Vessels, which currently allows for the importation of vessels that cannot be manufactured locally. Administration to be shifted to Concession Code 124, subject to a 5 percent fiscal duty
- removal of Concession Code 129(b) and 129(c) - Hybrid Motor vehicles as the standard and concession rates for new and used hybrid motor vehicles have been aligned
- removal of Concession Code 135 - Batteries or Hybrid battery cells as the standard and concession rates for batteries and power banks have been aligned
- amendment to Concession Code 215A - Approved Entities and Individuals to correctly reference goods cleared under natural disaster relief, in accordance with Section 91 of the National Disaster Risk Management Act 2024
- amendment to Concession Code 217 - Air Service approved by the Minister of Civil Aviation to formalise the sale of approved goods on in-flight services. The conditions to also be extended to permit in-flight sales to passengers during international voyages
- amendment to Concession Code 228 - Bonafide Tourist (Ships & Aircraft) for goods eligible for concession to be updated to include private jets, sailing yachts and motor vessels. The condition to also be amended to specifically apply to sailing yachts and motor vessels, which are designed and equipped for pleasure cruising
- amendment to Concession Code 273 - Companies or Entities conditions to include specialised equipment for water treatment, desalination and sewage treatment

- amendment to Concession Code 284 - Companies or Entities engaged in approved government projects to include "any other goods" as per the host country agreement
- amendment to Concession Code 110 - Goods imported for disabled persons to include vehicle modification accessories such as ramps, lifts, lowered floors, and wheelchair anchoring systems
- introduction of a new customs Concession Code 308 - Drug Rehabilitation Incentive. The concession waives duty and import VAT on the importation of raw materials, capital equipment, plant and machinery
- cosmetic amendments to the following codes:
 - HS code 8703.10.30 - Description
 - HS code 8703.10.40 - Description
 - HS code 4802.62.20 - Heading
 - HS code 1806.20.20 - Terms of Heading
 - Concession Code 113 - Delete items for administration ease
 - HS Code 4412.39.00 and 4412.31.00 - 1 Dash
 - HS Code 8806.10.00 - Heading
 - Concession Code 236C - Wording
 - 4-digit code 8807 - 2 Dash
 - HS Code 7418.10.00 - Description
 - HS Code 8903.99.00 - Sub-Heading

Changes to provisions:

- amendment to the interpretation of "price actually paid or payable" to capture payments made in forms other than money in line with the WTO standards

Customs (Prohibited Imports and Exports) Regulations

Changes to existing provisions:

- reduction of the current \$500,000 threshold for the importation of antique, vintage, high-end, luxury vehicles to \$250,000
- goods requiring permits from Telecommunications Authority of Fiji (TAF) will be considered under Schedule 5 of CPIER, in line with Section 55(4) of the Telecommunications Act

Excise

Import excise changes:

- introduction of a new duty rate for "liqueur". To be aligned with the "spirit" duty rate based on the alcohol strength

Changes to provisions:

- introduction of a new definition for "liqueur"

Tourism Services Tax

Measures introduced:

- introduction of a new Tourism Services Tax (TST) at the rate of 5 percent. The tax will apply exclusively to licensed hotel and tour operators above the \$2 million revenue threshold for a period of 12 months effective from 1 September 2026

Expenditure

Major expenditure measures and budgetary allocations include:

General administration

- Fiji Corrections Service - \$64.7 million (increase of \$2.2 million)
- Ministry of Civil Service - \$3.9 million
- Ministry of Rural and Maritime Development - \$35.4 million
- Fiji Military Forces - \$152.6 million (decrease of \$15.2 million)

- Fiji Police Force - \$226.5 million (decrease of \$13.8 million)
- Ministry of Policing and Communications - \$34.2 million
- Ministry of Finance - \$70.4 million
- Fiji Elections Office - \$23.2 million
- Ministry of Immigration - \$14.8 million
- Public Service Commission - \$7.0 million
- Ministry of Strategic Planning Office, National Development and Statistics - \$25.6 million
- Ministry of Environment and Climate Change - \$10.6 million

Social services

- Ministry of Education - \$708.3 million (increase of \$32.9 million) (includes \$74.5 million for Higher Education Institutions)
- Ministry of Health and Medical Services - \$476.9 million (increase of \$11.3 million) (includes \$8.0 million to CWM redevelopment, \$36.9 million to Pacific Healthy Islands Transformation (PHIT) project [proposed radiotherapy center], \$5.2 million for upgrade of health facilities)
- Ministry of Women, Children and Social Protection - \$211.4 million (increase of \$3.5 million) (includes \$183.9 million for key social protection programmes)
- Ministry of Housing - \$25.6 million

- Ministry of Youth and Sport - \$23.1 million

Economic services

- Ministry of Agriculture, Waterways and Sugar - \$221.0 million
- Ministry of Lands and Mineral Resources - \$37.1 million (decrease of \$3.5 million)
- Ministry of Commerce and Business Development - \$27.3 million
- Ministry of Multi-Ethnic Affairs, Culture, Heritage and Arts - \$15.2 million
- Ministry of Tourism and Civil Aviation - \$75.8 million (decrease of \$16.5 million)

Infrastructure

- Ministry of Public Works, Meteorological Services and Transport - \$820.8 million (increase of \$20.7 million) (\$282.3 million for operating expenditure and \$538.5 million for capital expenditure) (includes \$290.6 million to WAF, \$369.8 million to FRA, \$38.8 million to LTA, \$79.8 million to PWD)

Other measures

- decrease in the mandatory Fiji National Provident Fund (FNPF) employer contribution from 10 percent to 8 percent for the period 1 August 2026 to 31 July 2027. Employee contribution rate remains unchanged

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