

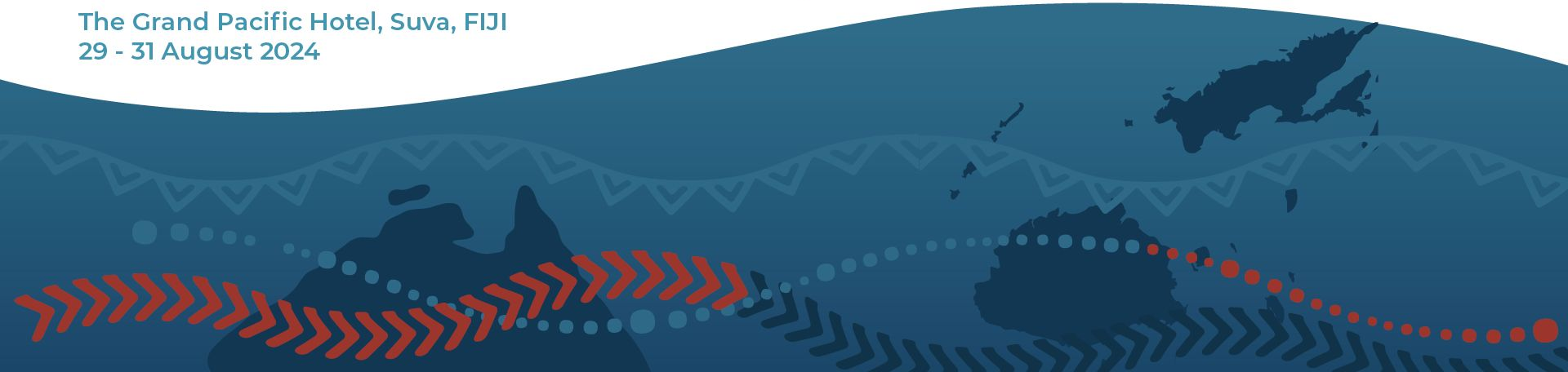
FIJI  
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COUNCIL

 Australia—Fiji  
Business Council

2024 FIJI-AUSTRALIA AND AUSTRALIA-FIJI BUSINESS COUNCILS  
**JOINT BUSINESS FORUM:**

*New Challenges. New Solutions*

The Grand Pacific Hotel, Suva, FIJI  
29 - 31 August 2024



# Rokoseru Nabalarua

CEO, Lyndhurst Group of Companies



Lyndhurst Group

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FABC and AFBC  
Joint Business  
Forum

Suva, Fiji

**30<sup>th</sup> AUGUST 2024**

# Lyndhurst Group

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- 1) Operated in Fiji for more than 24 years and located at Valelevu, Nasinu Township in Suva – major population hub in Fiji
- 2) currently employ 950 staff (60 employees when we started 24 years ago) – all locals – 82% of the workforce are women
- 3) Our two main businesses are garment manufacturing and property development for BPO/ICT operators. On the manufacturing side of our business;
  - a. Manufacture and Export of high-end fashion garments (Kookai label) to **44** retail Outlets in Australia (opening another **2** next month), **4** in New Zealand and sometimes to our retail outlets Europe through the manufacturing subsidiary company, Magi Enterprises (Fiji) Pte Limited (Magi). Our European outlets mostly supplied by our sister company in Sri Lanka
  - b. We export between 20k-30k units high-end fashion garments to our Kookai outlets in Australia and New Zealand sometimes to Europe.
  - c. Vertically integrated business – Design, sourcing of raw materials, manufacturing and retail – via related companies
  - d. Short Supply Chain and what we make this week, shipped on Friday or Saturday by Air and on the shelves on Monday or Tuesday next week. Generally between 10-20% new styles every week depending which time of the year.



# Lyndhurst Group

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- 1) The following incentives available to garment manufacturers in Fiji:
  - a. Export Income Deduction of 50%
  - b. Duty free import of raw materials and machinery
  - c. 100% tax depreciation on equipment purchases below \$10,000
  - d. Accelerated depreciation on new commercial buildings of 100% – reduced to 20% this year budget
  - e. RBF EXIM Facility of 3.99% interest for exporters (this is being phased out) – direct non-tax benefit
  
- 2) Benefits from the SPARTECA\_TCF scheme - allows for textile, clothing and footwear products from Fiji to enter Australia duty free under certain conditions, including meeting the minimum local content requirement.
  
- 3) PACER PLUS – Fiji not a signatory yet, but Fiji Government consultations happening at present and negotiations re-opened



# Lyndhurst Group

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## Challengers and Opportunities Manufacturing Industry in Fiji

Below are the key challenges facing the garment industry – common to manufacturing industries in Fiji:

- 1) Increasing Cost of Labour
- 2) Skilled labour migration – fortunately our company has not been seriously impacted by this – support systems and retention initiatives we have in place.
- 3) Increasing costs of raw materials and equipment mostly imported from overseas
- 4) Increase in logistics costs
- 5) Cut and make the export to third parties – cost of labour and loss of skilled labour – uncompetitive when compared to manufacturers in South East Asia – for Australian Markets
- 6) Potential negative impact – SPARTECA to PACER PLUS

Below are the key opportunities facing the garment industry – common to manufacturing industries in Fiji:

- 1) Target Manufacturing of high end and niche products – e.g Fiji Water, Pure Fiji and Kookai
- 2) Vertically integrated company model that requires short supply chain and react to the market quickly in New Zealand and Australia.
- 3) To counter high cost of labour and loss of skilled labour – increase level of automation
- 4) Value Adding of Agricultural Products – substitute imports and able to export ag base products to Australia
- 5) Value Adding of Natural Resources like Mahogany products, etc for exports
- 6) Set up manufacturing in Vanua Levu – TFR, Look North Policy by Government and labour availability
- 7) Capitalise on potential positive impact – PACER PLUS –Trade and Biosecurity access to open up.

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