

THE REVIEW

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IT BOOST

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REMEMBER Fiji's tax free zone for manufactures? While that is slowly being phased out, Fiji is now considering setting up telebusiness parks. While these parks won't be tax free, they would accommodate investors in the Information Technology industry.

For that, the government has given Fiji Islands Trade and Investment Bureau (FTIB) \$200,000 in its 2004 Budget, to do some preparatory analysis and feasibility studies in anticipation of a boost in this particular industry in coming years.

"We are confident that this will attract employment intensive Information Communications Technology (ICT) industries." Finance Minister Jone Kubuabola said during the 2004 budget presentation.

The amount may be small but it reflects the interest shown by investors to set up IT businesses in Fiji.

For instance, in the past several years, Fiji has seen a spurt of IT industries such as Qwest (back office information processing works), Computech (an American company doing software development), Affiliated Computing Services (which only started back office processing recently and is now looking for more space) and Fonexia, a call center operation that is planning to set up here next year.

Local companies have also set up call centers such as Telecom Fiji, Colonial, and Westpac. It is believed that the University of the South Pacific is also considering setting up a call center for its MBA programme.

FTIB's chief executive Lailun Khan says the bureau has done a feasibility study on the IT industry and it revealed huge opportunities for IT development in the county, particularly setting up call centers and back office operations.

Based on that the bureau asked the government for some Funds to develop a telepark, "to have the infrastructure ready so that when investors come, it is there, they can start".

"I am really glad that the government has allocated \$200,000 for us to start a feasibility study on IT parks," she adds.

Speaking in parliament last month, Commerce and Business development Minister Tomasi Vuetilovoni pointed out that growth in e-commerce transactions is predicted to be faster in Asia and the Pacific region. He says this is expected to be 109 percent between 2000 and 2005, followed by Europe with 91 percent and North America with 68 percent.

In 2002, the United Nations Conference for Trade and Development concluded that business-to-business transaction made up 95 percent of all e-commerce transactions. Vuetilovoni says he hopes that the government's e-commerce policy platform once implemented will attract some percentage of the world's e-commerce transactions into Fiji.

But for investors to effectively put up businesses here they would want the initial implementation costs to be minimal. For any business the location is one of the major costs because they can not come in and build their own building, but rather lease, says Shiu Raj, the manager executive office at FTIB.

He says this telebusiness park is a concept that will seek to provide potential investors with office space and other infrastructure for them to facilitate setting up IT investments here.