



your partner in progress

the FDB

# bulakin



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## Opening of Nabouwalu Branch

**The people of Bua have been encouraged to utilize the Fiji Development Bank in an on-going effort to develop the economic potential of their province.**

In his address at the opening of FDB's Nabouwalu Branch on 17 December, Commissioner Northern Lieutenant-Colonel Inia Seruiratu urged residents to utilize the financing facility available through the Bank to assist them advance economically.

"Government has major plans to develop the infrastructure in the rural areas which, will lead to greater economic opportunities for residents and hopefully curb the rural-urban drift but unless people are willing to change and adapt, progress will not be successful," he said.

Bua, as the second leading exporter of tausala dalo, has the potential to outgrow Taveuni and become the leading exporter of tausala based on its large land area and arable land. Currently, tausala exports from the province account for approximately 150 tonnes a month whereas Taveuni accounts for an average of 700 tonnes per month.

Once roading infrastructure in the province is improved, it is expected that dalo and yaqona, the second most exported crop; production will increase significantly. Other economic potential for the province include mining, logging, fisheries and eco-tourism. Nabouwalu already has a well established shipping route with



(L-R): Isikeli Tikoduadua (FDB Board Director), Inia Seruiratu and FDB CEO, Deve Toganivalu.

a four times a week service out of Natovi Landing on eastern Viti Levu to Nabouwalu Jetty, only three and a half hours away.

The branch already has over 240 clients of which 20 are commercial businesses.

Bua resident and clients of FDB, Bernadette and Aparosa Delana said the establishment of the branch at Nabouwalu is a great relief for residents who had to travel to Seaqaqa and Labasa previously in search of FDB services.

"This is a really good thing for us because we save our bus fare of \$11.60 one way and the travel time of up to four hours each way. We are so happy!"

Meanwhile, the Bank has also operationalised its Taveuni Branch, its official opening to be held in the first quarter of 2011. Nabouwalu and Taveuni bring to 11, the number of branches operated by the Bank Fiji-wide.



### in this issue →

- 3 Introducing Bob Lyon
- 5 Rookie Client Does Well with Community Shop
- 6 2011 Budget
- 9 Revised Bank Guarantee Facility and Complaints Management Policy Guideline
- 10 Women hold up half the sky

## Board & about us

### FDB Board

Chairman:	Bob Lyon
Deputy Chairman:	Jitoko Tikolevu
Directors:	Joseva Serulagilagi Manasa Vaniqi Isikeli Tikoduadua Mason Smith
Board Secretary:	Saiyad Hussein
Chief Executive Officer:	Deve Toganivalu

### Our Vision

To be a dynamic financial service provider in the development of Fiji.

### Corporate Objectives

To be a profitable and self-sustaining financial institution.

### Our Mission

We provide finance, financial and advisory services to assist in the economic development of Fiji and in particular the development of agriculture, commerce and industry.

### About Us

The Fiji Development Bank was established under the Fiji Development Bank Act (Cap 214) on 1 July 1967. The Bank is an autonomous statutory body, the operations of which are controlled by a Board of Directors appointed by the Minister of Finance.

Under the Act, the Bank provides finance for projects that contribute to the development of the Fiji economy and to improve the quality of life for the people of Fiji. Loan funds are provided for Agricultural, Small and Medium Enterprises, Corporate and Micro Enterprise projects. The Government also uses the Bank, as a financial instrument in its development projects/plans and special assistance programmes that may be necessary from time to time.

Over the years Bank has introduced a range of loan packages and services aligning it with its strategic objectives and customer demands. At the same time, the Bank has the challenging task of matching its competitiveness level with that in the banking and finance sector.

The Bank has played a significant role in developing the various economic sectors of the country and believes in a strong corporate social programme which it undertakes through Money Smart™, a financial literacy programme in secondary school and its annual Small Business Awards.

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BulaKin is a composite of bulletin and bula the Fijian greeting. Kin represents a group of descendants of a common ancestor.

# Talking point



This year brought along with it many challenges, which for a development bank, means we need to make the changes necessary to ensure that we continue as a vibrant, viable and relevant financial institution. In this regard, the Board of Directors in its meeting of October 2010, resolved to invite a consultant to carry out a review mainly of our strategic plan, credit structure (particularly impaired assets) and ways of sourcing cheaper funds for our core business. The review will be completed by mid-January 2011 and a report presented to the Board before February.

As I reflect on 2010 and look ahead at 2011, I thank our clients for their continued support and custom and also welcome on board new clients who joined us in 2010. The Bank will in 2011, continue to work alongside government as a key partner in development because we believe that the only way in ensuring a peaceful and prosperous Fiji is through the creation of employment and sustainable livelihoods for everyone.

The challenges for FDB in 2011 are greater than that faced in previous years as we work at generating new business, maintain the business that we have and continue to ensure that our lending risk is managed at a sustainable level. A number of strategies have been put in place by the Bank to achieve this with stimulation of our resource-based sectors, manufacturing and increased exports on the list of priorities.

May I also take this opportunity to wish you and your family best wishes in the New Year.



**Deve Toganivalu**  
Chief Executive Officer



## Editorial

Businesses are usually born out of an idea that is based on a real, identified need. That's the easy part of course. Unless the business has a proper structure in that there is a business plan, cash flow projection and equity to start, it will remain just that, an idea.

To survive, the proprietor must understand the fundamentals of market forces such as supply and demand, pricing, competition and certainly a market place from which the goods or service is to be based and supplied. To get to that market, there must also be a marketing plan – how do I tell people I am here and how do they get to where I am to access my goods and/or services?

Adi's Handicraft Centre and SV Narayan Garments (see page 10) is a shining example of how a business can be successful if managed properly. For Adi, that recognition came two-fold at the 7th annual 2010 FDB Small Business Awards presented in November where it took out the Tourism Category and the Overall Winner. Five other categories were also awarded to exceptional individuals that we foresee going onto bigger and better things in the future (see page 8). Hearty congratulations to all the winners!

In 2011, the Bank has also renewed its memorandum of understanding with the Ministry of Education to continue with financial support for Money Smart™ in Form 3 and the introduction of Invest Smart in Form 4 in all secondary schools in Fiji (see page 12). FDB views this support as a worthwhile investment in the creation of a financially literate generation from where the future entrepreneurs of Fiji will come.

May 2011 bring you fulfilled dreams and unlimited opportunities for new wealth and continued success.



**Sylvia Low**  
Editor



# Introducing Bob Lyon

In November last year, the Minister for Finance appointed Robert (Bob) Lyon, a former banker with 41 years of experience in commercial banking, as chair for the Fiji Development Bank. He replaces Ministry of Finance consultant, John Prasad who completed a 26 month term.

“Firstly, let me say how pleased I am, to be part of the FDB team and I wish all our staff and customers a happy and prosperous new year,” Mr. Lyon said.

“When I was offered the job of Chairman, I was a little reluctant as I already sit on a lot of boards in and out of Fiji. However, after we discussed the importance of having a successful FDB and the need to inject some banking experience at board level, I decided to accept the challenge.”

Mr. Lyon is also chair of the Foundation for Development Cooperation (FDC) Singapore Ltd and (Pacific) Ltd, FINTEL, Kidanet (ISP) and Kula Fund. He also serves on the board of the Pacific Economic Bulletin published by the Australia National University, Denarau Residential Estates Ltd and Denarau Corporation Ltd. He previously served as chair to all ANZ’s Pacific subsidiaries, Quest Ltd, Melbourne Chamber of Commerce and Melbourne City Marketing amongst others. He has spent the last 14 years in the Asia-Pacific region and currently resides on Denarau Island in Nadi.

“During my long association with Fiji, I have observed the work of FDB and know what an important place it fills in our economy. Having said that, I also know how difficult it has been for development banks around the world

to remain relevant and profitable,” he said.

“Good profitable businesses are attractive to the commercial banks and these businesses find the products and terms available, attractive to them. So it is no surprise that there is a continuing migration from development banks to commercial banks.”

FDB however, Mr. Lyon said, should not be too concerned about losing successful clients to commercial banks

“While it is nice to have our share of profitable business, our major focus is on helping businesses develop into successful enterprises. Our challenge is to find businesses to take their place and assist them to become sustainable and viable also. The fact that many of our customers are able to seek and attain good commercial terms is testimony to our success in helping them get to this position.”

Mr. Lyon reflected on his long experience in commercial banking, starting with ANZ in 1965, which he said gives him the solid basis from which to help FDB move with the times and adapt to today’s economic circumstances.

“This does not mean that we need to go head-to-head with the commercial banks. With the recent acquisitions of Habib and Colonial by BSP, there is already healthy competition in the market, with three large commercial banks. This allows us to concentrate on our main aim, as our name suggests, development,” he said.

“Having said that, we want to hold onto our good corporate customers and attract new ones, however, we do play an important role in rural areas, particularly in agriculture. For one reason or another, the commercial banks have eschewed this sector, but it is vitally important that Fiji continues to grow its agricultural businesses in a diverse way. Not only does this create

jobs outside of the urban areas, but it helps our economy with import substitution and export opportunities. We know that many of our small agricultural businesses struggle or are so small that our profits are affected and that is why we need a mix of Focused and non-Focused customers to balance this.

“While we have always been in the business of providing small loans, particularly in rural areas, we will be stepping up our efforts in microfinance along with the commercial banks. We believe that our experience and closeness to the rural sector gives us an advantage in this area.”

Mr. Lyon continued that although he has only been with FDB for a couple of months, there are some obvious challenges to overcome.

“Replacing good customers is one, cost of funds another and the high proportion of our lending book tied up in Troubled and Impaired Assets. I already have some thoughts on these issues, but rather than jump right in, the board has commissioned an experienced banker from Australia to look at the situation and advise us on a way forward. I expect his report by the middle of February and we will then commence an implementation plan,” he said.

“We have had two substantial consultancy reports done in recent years and very little has been actioned. In the past there has been too much external influence on the Bank and I believe that the current board is well placed to make our own decisions on the way forward.

“I know that I can count on your support in tackling these challenges and making FDB a force to be reckoned with in assisting Fiji to grow its economy and create viable businesses where all our citizens benefit. I look forward to meeting more of you and working together to make FDB a great place to be.”



The following notes were received via email.

**Pacific Islands Private Sector Organisation**

It's great and I will share this is the region.

**Maraia Volavola**  
CEO

**Bank of America Merrill Lynch**

Thank you. I found this to be very interesting. Please keep me on the mailing list.

**Ricky G. Monroe**  
Sr. VP / Sr. Credits Product Officer  
Commercial Real Estate Banking  
(Nevada/Utah)

**University of Fiji**

I received the complimentary copies of FDB Bulakin for the University of Fiji Library. I am sure our students and staff will make good use of this publication. We always look forward to receiving any publications from FDB. Thank you for this complement. Thanks and regards.

**Jose Poulouse**  
University Librarian

**Foods Processors**

The newsletter is informative and creates a lot of awareness on the great work the Bank is doing for the good of our country, personally I feel proud to have been a part of this noble institution. Cheers.

**Brij Lal**  
CEO

# Pulling Together for the Community

Staff of FDB came together in support of several key events which also included raising money for worthy recipients.



On 7 October, staff turned up in numbers to march for Fiji Day celebrations to mark 40 years of independence. Despite the foul weather in Suva which saw the second day of celebrations cancelled, staff marched regardless, refusing to let the rain dampen spirits. The Bank won 3rd prize for Most Multiracial Group – Representing Most Races in Fiji.

And, in the Fiji Day spirit, staff used the event to also have a mufti day and bring-and-buy to raise money for returned servicemen as part of the Poppy Appeal. The Appeal, a first undertaken by Bank was a huge success, raising a total of \$322.00 from direct donations, sale of poppies, mufti day and bring-and-buy. The Bank contributed another \$328.00 to round the donation off to \$650.00.



The cheque was presented to the President of the Returned Ex-Soldiers and Servicemen's Association (RSESA) president, (retired) Col. Samuela Saumatua and two RSESA members – (retired) Warrant Officer Class One Albert Burt and (retired) Captain Osea Loa at Col. Saumatua's office on Gladstone Road on Friday, 22 October.

"Our most sincere thanks to Ratu Deve and the staff for this most generous donation," Col. Saumatua

said, adding "you have no idea how much this is appreciated by our members."

All funds raised will be used for welfare needs of its members and the widows of ex-servicemen, which incidentally accounts for 65% of their recipients! Welfare assistance includes provision of wheelchairs, walking frames, prosthesis and medication amongst others.



On 4 December, staff at Nadi Branch visited Veilomani Boys Home in Ba, taking with them grocery items and Christmas cheer. At the end of the visit, staff agreed to a \$50 per term sponsorship for school expenses for one of the boys at the home.

Said staff member Zeaba Rahiman, "the Home does a great job in looking after the children including young adults with disabilities. Although the Home is run by the Methodist church, they take in boys from all religions including Hindu and Muslim. The caretakers and volunteers who do such noble jobs should be applauded."



On 22 December, staff from the Corporate Centre at head office bought gifts and visited children admitted at the CWM Hospital in the spirit of Christmas.

# Rookie Client Does Well with Community Shop



**Sheik Khalid, 40, lives at Soasoa, a five minute drive just outside of Labasa Town. A cane farming community, life is relatively laid back, quiet during the day – the stillness in the searing heat broken only by the odd vehicle or bus winding its way along the dusty cane access road.**

Khalid has lived at Soasoa his entire life along with his three siblings, who now live abroad and on Viti Levu.

“After I left school in the eighties, I joined my father at Fiji Forest Industry for a few years before I moved to Suva to try my luck,” he said.

“When I got to Suva, I worked in insurance, drove a taxi and even tried my hand in the hospitality industry then in 2007 I decided that it was time for me to come back home and start my own business.”

After moving back to Labasa, Khalid took over the family home where he now resides with his wife Valaria. It was here that he opened his shop with a modest \$500 worth of groceries; money sourced from his savings. The “shop” operated from a room in his house.

“When I started my business, I had never taken a loan out ever so it didn’t occur to me to take one to start my business,” he said, adding “and from those small items I bought to sell, I made a profit of \$2,000.”

Khalid’s relationship with the Fiji Development Bank started earlier this year when his van needed urgent repairs and he realized also that he needed to extend his shop.

“My customers were demanding more things and I didn’t have the space to accommodate what they wanted so I went to FDB and applied under the Small Business Scheme facility to help me repair my van, build an extension that would be my shop and purchase more groceries,” Khalid said.

With FDB’s assistance, Khalid has managed to complete the shop extension, repair his van which he uses to also transport residents from the neighbourhood into town and stock his shelves. The additional space has also allowed him to purchase a chest freezer.

“I always wanted to sell fresh frozen fish and I can do that now,” he said adding, “I have also started selling grog to boost revenue.”

As an entertainment feature, Khalid has also added a pool table outside the shop.

Soasoa is a cane farming community that is home to 100 families. Even though it is so close to Labasa Town, it has the ambience of rural Vanua Levu.



“People in Soasoa rely on the service that I provide because the nearest shop from here is about three kilometers away,” Khalid said. Khalid also maintains a day job at a local garage, on the other side of Labasa Town while Valaria takes care of the shop during the day.

To run a shop in a small community such as Soasoa; supplying goods on credit while endearing you to your neighbour, can also be a death knell for small businesses particularly when the debtors don’t pay up.

“I only give a maximum of \$10 as credit to any one person and for that person to get credit, he/she will have to be a weekly wage earner or someone I can trust,” Khalid said.

This business ethic has allowed Khalid to maintain a decent cash flow and clear about \$100 in profit each week.



Valaria Khalid at the shop.

# 2011 Budget

Government's theme for the 2011 Budget: "Enhancing Economic Growth and Inclusive Development". Released in November (2010), the Budget has a number of allocations and considerations geared towards maintaining sound risk management principles, encouraging competition, retaining a sound tax environment, incentives that will allow for continued generation of the resource-based sectors as well as prioritizing investment in infrastructure to allow for delivery of government services that will foster economic and industrial development.

In addition, as a booster for locals intending to venture into commercial agriculture and value adding through manufacturing, Government has:

- imposed a 10% import excise duty on all imported vegetables with another an increase from 15% to 32%, fiscal duty on specific fruits and vegetables;
- increased duty on imported fruit juice from 15% to 32%;
- imposed a 15% import excise on imported snacks and confectionaries;
- increased fiscal duty on imported canned fish from zero to 15%;
- reduced fiscal duty on plastic crates for packaging purposes from 15% to zero;
- reduced duty on reconditioned machinery such as forklifts, bulldozers, loaders etc. from 35% to 15%; and
- reduced duty on new passenger vehicles (below 2500cc) from 32% to 15%.

The Fiji Development Bank as a development partner of Government, is mandated under the FDB Act 1967 (Cap 214) "to facilitate and stimulate the promotion and development of natural resources, transportation and other industries and enterprises... consideration and priority to the economic development of the rural and agricultural sectors of the economy of Fiji." In this regard, the Bank is geared to help Government achieve its 2011 Budget objectives.

## Dairy Industry

Government is in the process of reorganizing the Rewa Dairy Cooperative Limited into two separate entities – the Fiji Dairy Company Limited (FDCL), to be owned and operated by Government and the private sector; and the Fiji Dairy Cooperative Company Limited (FDCCL), to be owned and operated by dairy farmers and suppliers. An allocation of \$2 million has been set aside for the establishment of FDCCL. An additional \$0.5 million has also been set aside for the importation of heifers to replace milking stock in the industry.

FDB supports dairy farming through a **Dairy Farming Loan** that allows eligible dairy farmers to borrow for land purchase and development, build or renovate farm houses, purchase new and used farming vehicle, plant, equipment and implements as well as stock for milk production. As at 31 December 2010, loans to dairy farmers accounted for 3.5% (\$2.05M) of all agricultural lending by FDB.

## Sugar Industry

Government's set aside \$110 million for the Fiji Sugar Corporation, \$6 million for cane replanting, \$1 million for cane quality payment, \$5 million to South Pacific Fertilizers and \$1.5 million to the Committee for the Better Utilization of Land. FDB currently hold 85% of the total market share when it comes to lending to this sector.

Recognising the importance of this industry to the economy, the Bank has designed two lending products to help farmers: Loans to **Sugar Cane Farmers (All Purpose)** and the **Loans to Sugar Cane Farmers (Below and Average Producers)**. The All Purpose loan provides financial assistance to eligible new and existing cane farmers in terms of land purchase and development, construction or renovation of farm house, purchase of new or second hand farm vehicle, machinery, equipment and implements; as well as working capital.

The Below and Average Producers, loan includes financial assistance as for All Purpose Loan but with greater flexibility in terms of securities and eligibility requirements. Working capital in this instance includes cane establishment cost, living allowance and establishment of other cash crops. As at 31 December 2010, loans to cane farmers accounted for 16.5% (\$9.57MM) of all agricultural lending by FDB.

## Other Crops

Government has set aside \$0.25 million for coconut rehabilitation, potato as well as new agriculture development in the province of Ra. FDB has a **Coconut Farming Loan** that eligible copra coconut estate owners can access. Under this facility, eligible parties can access financing for land purchase and development, construction or repair of a farm house, purchase of new or used farm vehicle, machinery, equipment and implements, and the purchase of seedling stock.

Additionally, Government has allocated \$5 million to facilitate the leasing of land for agricultural and other productive land use under the Land Use Decree. In complement to this, FDB also has a number of other agricultural loans eligible farmers can access such as that for horticulture, grains, pulses, livestock, dairy and poultry, land purchase and development, as well as loans to the broiler industry.

## Fisheries

To support export and value-adding for the industry, all by-catch from foreign vessels visiting Fiji must be off-loaded at registered processors only. The processors are to obtain suitable permits to process the by-catch. In addition, all foreign vessels measuring 40metres and below will be required to pay a service fee for all transshipments, a fee that is waived if the catch is directed to registered processors. FDB has a **Fisheries Loan** which allows for the purchase of outboard engines, punts, fishing equipment and related accessories as well as working capital for fuel and labour. As at 31 December 2010, loans to fishermen accounted for 4.6% (\$2.67M) of all agricultural lending by FDB.



### Infrastructure

Government has set aside \$3.7 million for the completion of several solar and diesel generator schemes for villages under its Rural Electrification Scheme. FDB has a **Sustainable Energy Financing Facility** for anyone (eligible individuals, farmers, businesses) interested in installing Solar Photovoltaic Systems or Pico-Hydro Systems; it also covers the cost of switching from diesel to bio-diesel as well as the purchase of other sustainable energy equipment from approved suppliers.

Government has also set aside another \$3.7 million for the completion of Rabi Jetty and the construction of two others at Qarani and Nairai. The Rabi development is positive for residents on the island as this transportation link offers immense opportunities for development and access to financial services offered by FDB through its newest branch on nearby Taveuni. Similarly, for Qarani and Nairai, regular agency visits are being conducted by FDB to meet demand for services.

### Private Sector Initiative

Government's recognition of small and medium enterprises as an important sector to the reduction of import substitution and employment creation, led to call for all bank and financial institutions to reconsider their lending policy to such enterprises and provide the impetus needed to stimulate their growth. To lead in this regard, Government has allocated \$3 million to assist

eligible businesses with an annual turnover of \$50,000 and \$500,000 per annum – particularly, those that are non-agricultural in nature and are not accommodated by mainstream commercial banks.

At the FDB, SME's have been a focus sector for lending particularly wholesale/retail, professional/business services, transportation/storage/communication and manufacturing. There are several products such as the **Commercial Loans to Fijian Scheme, Small Business Equity Scheme, Building Construction, Purchase of Commercial and Industrial Buildings, Commercial Loans, Freight Transport, Bus Loans** as well as **Mini-bus** and **Taxi Purchase** that people can access for this purpose.

### Tax Deduction for Marketing Expenses

In an effort to boost Fiji's export to countries in the Pacific region with the exception of Australia and New Zealand, a 150% tax deduction for marketing expenses of up to \$250,000 has been announced. This incentive is meant to position Fiji as the hub for the supply of various consumer goods. FDB has two products that may interest growers and manufacturers who wish to grow/produce for export – the **Export Credit Facility (ECF)** and the **Import Substitution and Export Finance Facility (ISEFF)**.

ECF provides up to \$200,000 per export at 4% per annum to be repaid

within six months of the shipment taking place. There is an option to roll this facility over for a maximum of five years. This facility helps exporters raise short term working capital to finance the export of their product. Industries eligible for this facility are agriculture, forestry, marine products, mineral water, information, communication and technology and audio-visual.

The ISEFF on the other hand provides up to \$1 million at 6% per annum to also be repaid within six months with an option to roll over for a maximum of five years. This facility is aimed at providing cheaper funds to farmers, service providers and producers to enhance production capability and export. Under this facility, all exporters are eligible to obtain credit at concessional rates of interest and similarly, the agricultural sector that are producing goods that result in a reduction in imports are also eligible.

For export finance, funding is available for the export of all goods by primary and secondary exporters as well as certain professional services such as architectural, engineering and maritime services. For import substitution, businesses responsible for the production of eligible fruits, vegetables, root crops, dairy produce, beef and aquaculture may apply.

# 2010 Small Business Awards



**The 7th annual Fiji Development Bank Small Business Awards was presented at the Forum Secretariat Fale on Wednesday, 24 November.**

Chief guest Michael Joe, director for Joes Farm Group and Dalmax, urged the recipients to work hard to turn their dreams into success.

“Every individual is the master of his own destiny so everyone has what no one else can proclaim. During our lifetime in any profession we undertake, we can be a unique successor depending on the qualities we acquire and dedication we put towards our goals,” he said.

This year, the judging of entries went beyond the normal screening of written submissions to actual field visits of the businesses shortlisted in each of the categories. Also new this year, was the awarding of a commendation prize to the business placed second in the respective

category. A total of 48 entries were received.

Taking out the top prize of Overall Winner was Adi’s Handicraft (see page 12) of Ciriwai, Sigatoka. The following are the 2010 FDB Small Business Award winners:

**Tourism Category and Overall Winner**

Sponsored by Fiji Development Bank

**Winner:**

**Adi’s Handicraft Centre**

Runner Up: Vini’s (handicraft shop)

**Agriculture Category**

Sponsored by Crest Chicken

**Winner:**

**Naruwai Dalo & Yaqona Farm**

Runner Up: Dreketi Copra Traders

**Wholesale & Retail Category**

Sponsored by FINTEL

**Winner:**

**Ra Quality Kava & Junior’s Pawn Shop**

Runner Up: Ryna’s Business Management

**Manufacturing Category** Sponsored by New India Assurance

**Winner: Pushp Lata Tailoring**

Runner Up: Not awarded

**Professional Services Category**

Sponsored by Sun Insurance

**Winner:**

**George Small Engine Repair**

Runner Up: Hritiks Video Production

**Open Category**

Sponsored by Reserve Bank of Fiji

**Winner:**

**Ultimate Debt Recovery Agency**

Runner Up: Jofica Clothing Bazaar

FDB extends its appreciation and thanks to the respective category sponsors.

# Revised Bank Guarantee Facility and Complaints Management Policy Guideline

The Board of the Bank passed the Complaints Management Policy Guideline and the Revised Bank Guarantee Facility in its meetings in October and December respectively.

The complaints policy is designed under the Reserve Bank of Fiji policy framework issued in December 2009. The policy will ensure proper and timely handling of all complaints received either at head office or in the branches. Under this policy, branch and centre managers will also act as complaints officers. Complaints can be sent either through email, on the telephone, via facsimile, face-to-face or in the complaints form provided.

Complaints received are to be resolved within five working days - any time taken outside of this must be communicated to the complainant with a clearly stated reason as to the delay. Previously, all complaints were lodged directly with the chief executive officer.

In August, a review of the Bank's Guarantee Facility was undertaken and several amendments made to streamline and update the implementing guideline including opening the Facility to new customers of the Bank.

The Facility can now be accessed for the following purposes:

1. In support of an overdraft facility at a commercial/trading bank.
2. To provide assurance of payment to suppliers.
3. In support of contract tender submissions including customers who are contractors where they can use the guarantee for their retention fund.
4. Guarantee in lieu of security deposits mainly used for bond required for rental, electricity connection (FEA), city council (SCC), Government, etc.
5. IATA (International Air Transport Association) related services.
6. Shipping companies – indemnifies the shipping company against any loss or harm that may occur if the goods were released to the customers without the production of an original bill of lading. Charge is based on the invoice value of goods. In the absence of an invoice, the customer's estimate of the value of goods involved.
7. Bureau of Customs guarantee – used by customers that require the importation of those goods that are subject to an import duty.
8. Performance Bond – used by customers to guarantee the performance of their company's obligation under an agreement. This means that their service or product will continue/ assumed to perform well over the stipulated period.



## Sugar Sweet

Panapasa Namoko, 51, of Lautoka is a very brave man. Well the sentiment would be either to think him brave or foolish because of his decision to take on cane farming at a time where the industry's well publicized problems have driven many to gradually shifting their farming focus, from cane to fruits, root crops and vegetables instead.

As his banker, we would like to think him brave for taking on sugar cane farming – not because we have a pecuniary interest in the matter, but because of the importance the industry itself has on the lives of up to 40,000 other people who depend on it for a living.

At the beginning of 2010, Panapasa applied for and was given a loan under the Bank's Agricultural Loan for Development Cost facility which allowed

him to clear up to six acres for further planting.

For the harvesting season, Panapasa had nine and a half acres of standing cane with each acre holding between 45 to 55 tonnes of cane come harvest time.

"My intention for the 2011 season that I will have between three and a half to four thousand tonnes of cane planted and ready and to do this, I have seven families from my village planting cane to ensure that we meet our target for the next season," he said.

Unlike many of his contemporaries who have had problems securing labourers around harvesting time, Panapasa says he has an advantage because there are a lot of young men in Lauwaki Village where he resides that he can recruit for this task.

Not one to put all his eggs in one basket, Panapasa has also planted 14 acres of cassava, vudi (plantains) and yams.

# Women hold up half the sky



Adi's Handicraft Imroz Khan (left) and Adi Repeka Saukuru in their store at Ciriwai.



Manjula Narayan (right) and her shop assistant Savita Devi inside her retail outlet in Sigatoka Town.

**Women do the majority of unpaid work in this country. If a monetary value were to be put on the work done by them, undoubtedly the nation's gross domestic product would treble overnight.**

The fortunes of modernization – particularly in the last three decades - have impelled more and more women towards fully participating in the economic life of Fiji. No longer, are women required to “retire” upon marriage and easy access to financing through the likes of the Fiji Development Bank, women are finally asserting themselves as valued complements to traditional breadwinners in their families – their fathers, brothers and husbands. Manjula Narayan and Adi Repeka Saukuru are two women who have decided to trade in, for nine hours a day at least, the apron for the cash register.

Manjula is the proprietor of Narayan Garment trading as SV Narayan Garment in Sigatoka. A Small Business Scheme client of the Fiji Development Bank since 2004,

Manjula started her business on the back of a tumultuous time in Fiji's political history – the 1987 military coup de'tat – a time when most were packing it in and making their way to Nadi International Airport, Manjula

saw a business opportunity and decided that after two years of running a home-based cash operation, to properly register and operate a company.

FDB's Small Business Scheme (SBS) is designed for any entrepreneur starting out or, already has a business in operation. The purpose of this facility is to help the applicant purchase or establish a business including the purchase or construction of buildings, equity investment, purchase of plant and equipment including motor vehicles, provision of working capital and the acquisition of shares. There is no maximum ceiling for this facility but it can only be used by SMEs in the focused sector (See our products on page 12) with a turnover of up to \$100,000 per annum.

“When I registered my company in 1987, I had two machinists and working from my home in Olosara where we are still based,” she said.

“In 2004, I needed to expand my business so I approached FDB to help clear outstanding lease, renovate the

factory, repair my company vehicle and purchase new stock.”

That loan has since been paid off and Manjula returned in 2009 for additional working capital so she could purchase more sewing machines for her growing business.

These days there are 16 employees – all women – in the factory and another six employed at the retail outlet near the Sigatoka Bus stand. Her business thriving beyond her expectations, Manjula has secured several good contracts to supply garments.

“I produce orders for Suva Bargain Centre, Fashion 2000 and Maharani Fashion in Suva. We do those types of orders as well as walk-ins and made-to-measure clothes as well,” Manjula said.

Further up the Queen's Highway midway towards Nadi just past the turn off to Lomawai Village is Adi's Handicraft on the right hand side of the road. The rustic handicraft shop is the baby of Adi Repeka Saukuru of Sabeto Village in Nadi and her



husband Imroz Khan of Ciriwai, Sigatoka.

Adi Repeka, originally from Nadi and her husband, Imroz, from Ciriwai, Sigatoka worked for a handicraft store in Nadi up until just over two years ago when they decided to strike out on their own and build their dream business – a handcraft store catering to high end hotels and resorts on the north-western end of the Coral Coast.

Natadola is about 10 kilometres from where the couple set up shop at Ciriwai. Why a location that seems to be in the middle of nowhere and how do they manage to generate customers and sales?

“We were aware of the tourism development planned for Natadola while we were working in Nadi and we saw a valuable opportunity here for ourselves,” Adi Repeka said.

With their savings Adi and Imroz took out a lease on a half acre block and set about clearing and leveling it in 2008. Adi Repeka also took loan for working capital under the Bank’s Commercial Loan to Fijians Scheme (CLFS) and built a very basic structure to house their dream. This labour of love involved just the two of them and one other, a carpenter.

“Because we did it this way, we only utilized half of the loan amount and were operational a few months later,” Adi Repeka said. In the first five months of operation in 2008, the couple generated a revenue of \$15,000 and in 2009, increased that by just over 50% to \$23,000.

The CLFS helps iTaukei entrepreneurs get into business for themselves either through the provision of working capital or capital to purchase or establish a business as well as equity as for small businesses.

“The store is a work in progress and we anticipate that it will take about five years to complete,” Adi Repeka said.

The couple purchase their handcraft from local artisans in Navutu and Malolo as well as bigger stores in Suva and Nadi. Customers from nearby hotels are drawn through arrangements that they have going with travel companies that traverse the Nadi/Sigatoka corridor and taxi drivers based at these hotels. To add value to the shopping experience, they have also opened up a coffee shop at the handcraft centre.

Adi Repeka and Imroz’s hardwork is paying off as their entry into the 2010 FDB Small Business Awards saw them walk away as winners for the Tourism Category as well as the Overall Winner Category. Their business was considered outstanding by the Awards’ panel of judges who visited and inspected their business at Ciriwai as part of the judging criteria.

# Money Smart™ and Invest Smart



(L-R): Director of Education (Curriculum Advisory Services), Nemani Drova, Deve Toganivalu and FDB General Manager Business Risk Services, Nafitalai Cakacaka. (Standing): FDB Senior Legal Officer, Salimoni Karusi.

## The Fiji Development Bank (FDB) and the Ministry of Education (MoE) signed a Memorandum of Understanding for financial support for the continuation of the Money Smart™ programme for third formers as well as the inclusion of a new programme, Invest Smart, for fourth formers in 2011.

Money Smart™ is a financial literacy programme developed by FDB and the MoE in 2007 and taught under the Commercial Studies syllabus to third form students.

Implemented in 2007 into 162 secondary schools in Fiji and one in Tuvalu, the key objectives of Money Smart™ are geared to helping young people learn about the value of money from planning to budgeting, differentiating their needs from their

wants and saving for key events in their lives. The students also get to save money as part of their assessment.

Money Smart was a compulsory internal assessment task subject and used to account for 30% towards the student's Fiji Junior marks for the Commercial Studies subject.

Earlier this year (2010), the MoE made the decision that the Fiji Junior Certificate Examination be phased out at the end of this year (2010) and in its place the internal assessment task will continue at the Form 4 level. The Bank's commitment for 2011 is valued at \$67,000.

"The Ministry and the Bank recognized an opportunity here to expand Money Smart™ into

Form 4 and I am pleased that to help make that transition for students, the Ministry with FDB's support will now introduce Invest Smart," says FDB's chief executive officer, Deve Toganivalu.

At the end of the Invest Smart programme students should be able to:

- recognize the importance of enterprising skills learnt at Form 3 Money Smart programme to generate income to finance investment;
- investigate investment opportunities available in local financial institutions;
- select and use the relevant information gathered to make informed investment decision; and
- develop a positive attitude towards maintaining an investment plan.

The savings started as part of Money Smart™ in Form 3 will also continue into Form 4 with Invest Smart.

Since 2007, the Bank has invested close to \$170,000 on resources which include student work and resource books, teacher workshops, money boxes for Money Smart™. For 2011, the Bank will invest a further \$61,900 for Money Smart™ and Invest Smart.

"Financial literacy is the cornerstone to helping our young people become not only enterprising adults but also responsible adults when it comes to managing their personal and/or business finances," Mr. Toganivalu said.

The Fiji Development Bank provides financing for Agriculture, Small & Medium Enterprises (SMEs), Corporate and Micro Enterprise. These loans are broadly categorized into Focused and non-Focused Sectors as follows:

### FOCUSED

- Agriculture including Forestry and Fishing
- Mining & Quarrying
- Manufacturing
- Transport, Communications and Storage

- SME and Micro Loans in
  - Wholesale, Retail, Hotels and Restaurants
  - Professional & Business Service Sectors

### NON-FOCUSED

- Building & Construction
- Private Individuals
- Real Estate
- Larger Loans in
  - Wholesale, Retail, Hotels and Restaurants
  - Professional & Business Service Sectors