

Fiji

Contributed by Offshore-World
Monday, 21 April 2008
Last Updated Sunday, 31 August 2008

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Fiji, officially the Republic of the Fiji Islands, is an island nation in the South Pacific Ocean east of Vanuatu, west of Tonga and south of Tuvalu. The country occupies an archipelago of about 322 islands, of which 106 are permanently inhabited, and 522 islets. The islands are mountainous, with peaks up to 1,300 meters (4,250 ft), and covered with tropical forests. The two major islands, Viti Levu and Vanua Levu, account for 87% of the population. Viti Levu hosts the capital city of Suva, and is home to nearly three quarters of the population of 931,741 (July 2008 est.). The climate in Fiji is tropical and warm most of the year round. Fiji, endowed with forest, mineral, and fish resources, is one of the more developed of the Pacific island economies, though still with a large subsistence sector. Fiji experienced a period of rapid growth in the 1960s and 1970s but stagnated in the 1980s. The coup of 1987 caused further contraction. Economic liberalization in the years following the coup created a boom in the garment industry and a steady growth rate despite growing uncertainty of land tenure in the sugar industry. Urbanization and expansion in the service sector have contributed to recent GDP growth. Sugar exports and a rapidly growing tourist industry — with 430,800 tourists in 2003 and increasing in the subsequent years — are the major sources of foreign exchange. Fiji is highly dependent on tourism for revenue. Sugar processing makes up one-third of industrial activity. Long-term problems include low investment and uncertain property rights. Although inflation is low, the policy indicator rate of the Reserve Bank of Fiji was raised by 1% to 3.25% in February 2006 due to fears of excessive consumption financed by debt. Lower interest rates have so far not produced greater investment for exports. However, there has been a housing boom from declining commercial mortgage rates that has created low property prices. Due to Fiji's potential for fast price rises and returns, it is an ideal market for the investor.