



MSME GROWTH & ACCESS TO FINANCE

Presentation to the International Symposium on the Role of MSMEs
in the Achievement of the Sustainable Development Goals

Christina Rokoua
Reserve Bank of Fiji
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REPUBLIC OF FIJI

Archipelago of **330** Islands, a third of which are inhabited

LAND MASS: **18,274 km²**
SLIGHTLY SMALLER THAN NEW JERSEY

POPULATION: **884,887**
*estimated for 2017

GDP*: **US\$3.4 billion**
*estimated for 2017

GROWTH RATE**: **4.2%**
*estimated for 2017

GDP PER CAPITA***: **US\$4,760**
**based on Nominal GDP 2017





CLIMATE

Tropical (between 31°C (88°F) to 26°C (79°F)) most of the year



CULTURE

iTaukei (Indigenous), Indian, Polynesian, Chinese, European, etc.



TRADE & COMMERCE

Tourism, Sugar, Agriculture, Fisheries, Timber, Manufacturing

Who is an SME

"Enterprise" means any going concern by a group, an individual or entity which trades in goods or services for profit.

Micro Enterprise

Any enterprise which has a **turnover or total assets not exceeding \$30,000** and **employs not more than 5 employees**

Small Enterprise

Any enterprise which has a turnover or total assets between \$30,000 and \$100,000 and employs between 6 and 20 employees

Medium Enterprise

Any enterprise which has a **turnover or total assets between \$100,000 and \$500,000** and **employs between 21 and 50 employees**

Source: SMED Act 2002

Some Key Data

18% of GDP

97% of Total
Establishments

36% of
Employment

53,391
employees with
FNPF

Lending to
MSME \$1.02
billion

11541 Enterprises -
FBOS

24,486 Enterprises -
FRCA

7,095 Employers -
FNPF

16,441 Sugarcane
farmers

22,000 Non -sugar
sector

7556 market
vendors

13,831 Sole traders
with a Municipal
Business License

2938 Other PSV
operators

7668 Taxi operators

Fiji's Formal Financial Sector

Reserve Bank of Fiji

6 Commercial Banks

4 Credit Institutions

1 Development Bank

Non-supervised Institutions

Microfinance
Institutions

Finance
Companies

Cooperatives

Credit Unions

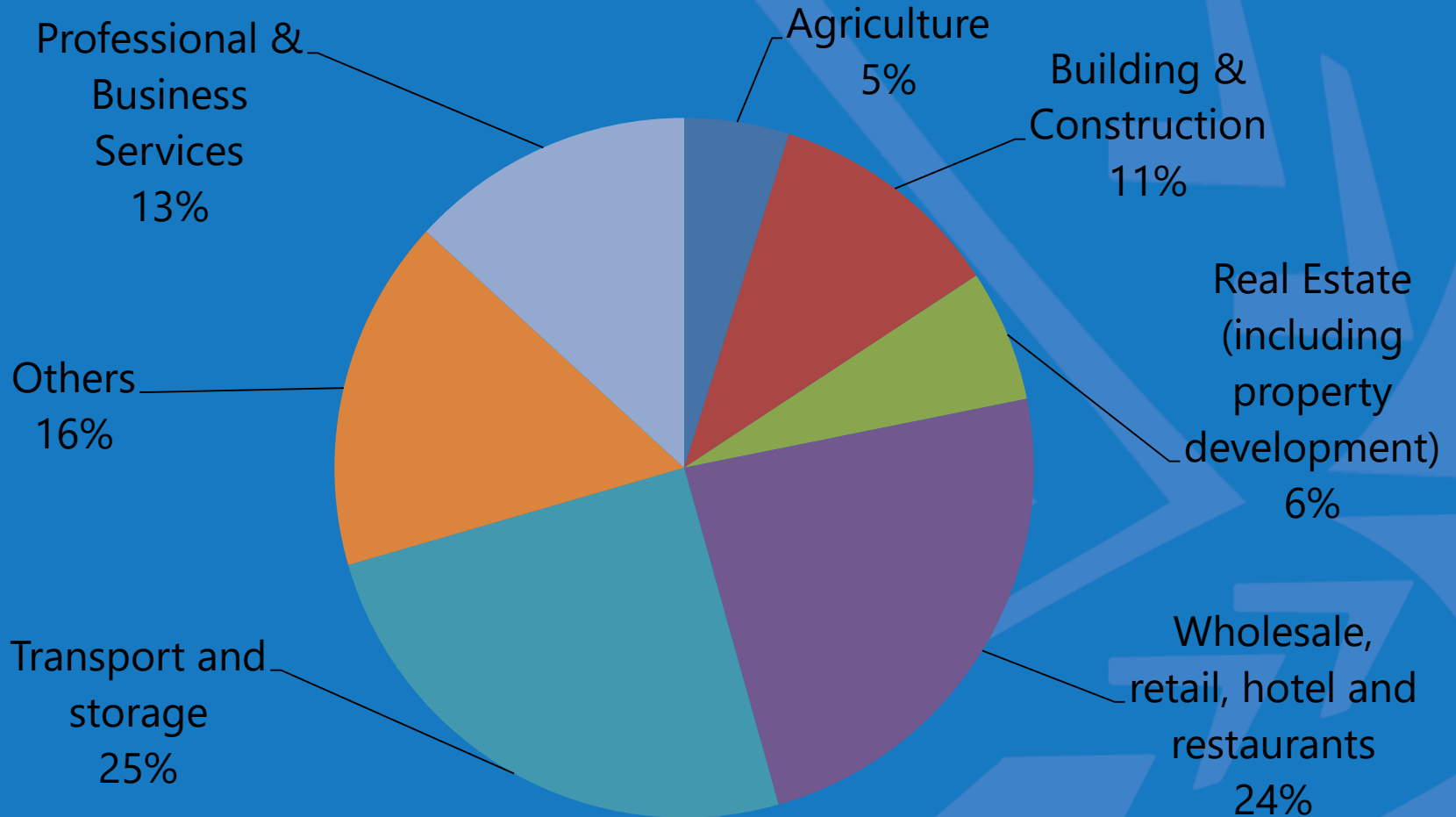
Motor Vehicle
Dealers

Lending to SMEs

	2015	2016	2017
Number of Loan Accounts:			
Commercial Banks	113,118	119,764	106,247
Of which: SME accounts	3,141	3,921	4,204
Other Deposit Takers	25,587	30,725	35,073
Of which: SME accounts	6,974	8,289	9,269
Value of Loan Accounts FJ\$M			
Commercial Banks	5,713	6,243	6,693
Of which: Loans to SMEs	415	646	822
Other Deposit Takers	713	842	991
Of which: Loans to SMEs	218	250	299

Lending to SMEs by Sector

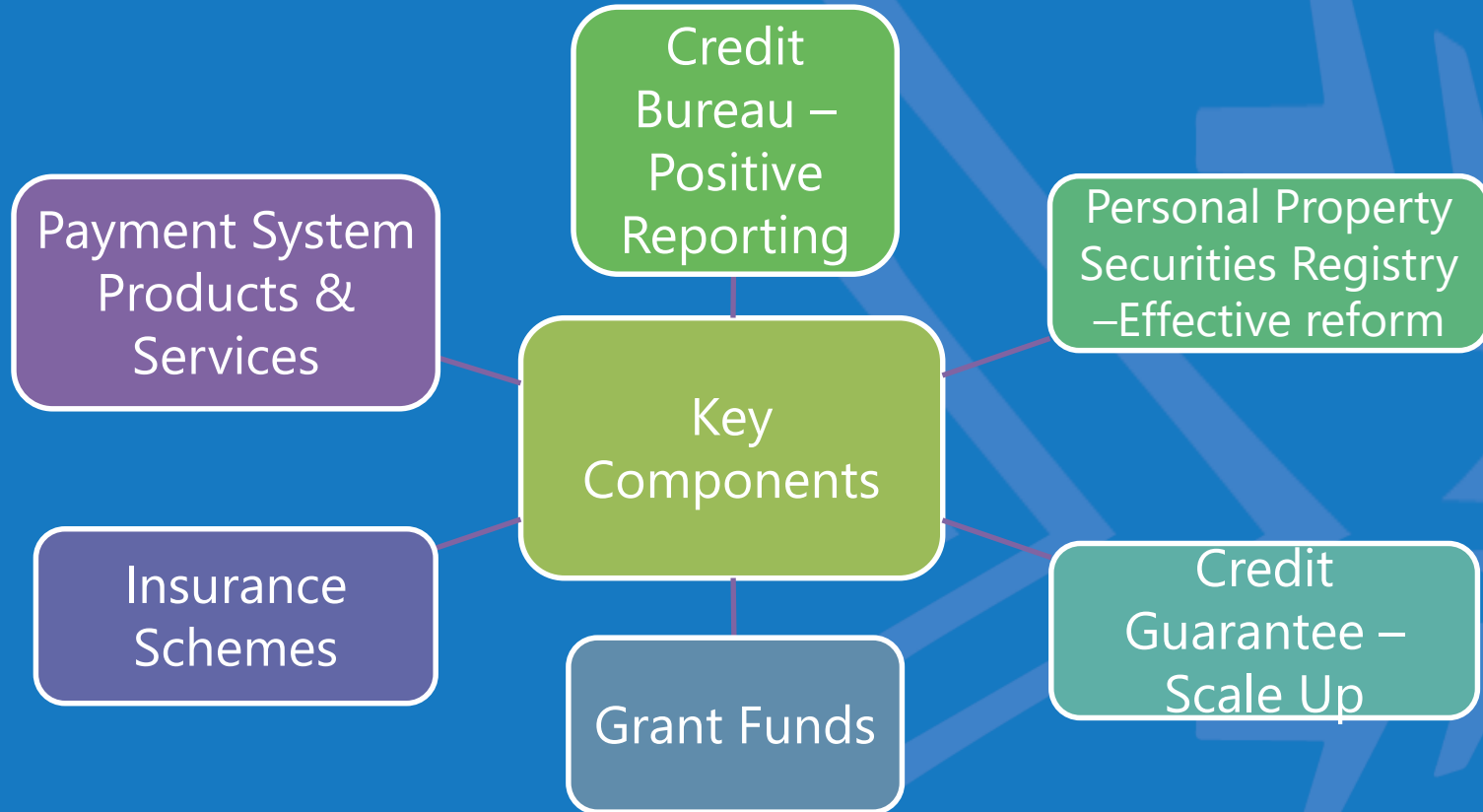
AS AT 31 DECEMBER 2017



Challenges

- Lack of robust MSME data;
- Absence of enabling legal framework;
- Absence of robust support framework;
- Ongoing resource constraints.
- Access to Finance – Constraint or **Outcome?**

Financial Infrastructure



New Avenues for Finance

- Targeted/SME Pillar in FSDP:
 - Alternate Trading Board
 - Crowdfunding
 - Peer-to-peer Lending
 - Venture Capital Funds
 - Secured Transactions Reform > Finding middle ground for “acceptable” movable property of value owned by MSMEs.

Way Forward for Fiji

- MSMEs are the dominant actors and **hold the key** to achieving SDGs.
- Strengthening support framework
- Developing
- Building infrastructure
- Incorporate Science, Technology & Innovation