
RESERVE BANK OF FIJI

MEDIA NOTE

06 March 2020



At its meeting on 25 February, the Capital Markets Advisory and Development Taskforce welcomed the progress reported by key capital market stakeholders and noted a number of highlights including:

- **945 New Stock Market Investors in 2019:** The South Pacific Stock Exchange (SPX) was pleased to announce that 945 new investors joined the stock market in 2019 and this was largely attributed to the successful listing of the exchange's first tourism-based entity, Port Denarau Marina. In addition, market capitalisation increased by 27.1 percent to \$4.1 billion, equivalent to 33.8 percent of Fiji's Gross Domestic Product at the end of January 2020. Favourable trends were also noted in both the volume and value of traded securities which grew by 76.0 percent and 33.0 percent, respectively over the same period. The Exchange continues to engage both traditional media and online platforms to educate the public and investors on understanding the opportunities and risks of investing in Fiji's stock markets.
- **Wholesale Corporate Bond Development Work Continues:** The Taskforce noted progress on the work undertaken by Reserve Bank of Fiji with the technical assistance from the International Financial Corporation in developing the regulatory framework to enable large corporations to issue bonds. An industry consultation was conducted in November 2019 with key stakeholders from the financial markets, legal, accounting and auditing firms, the Fiji Revenue and Customs Services and Government which facilitated discussions around eligible investors, key obligations of issuers and specific legislative and regulatory avenues through which an issuance would be viable. As a result, a Draft Companies (Wholesale Corporate Bonds) Regulations has been developed, discussed with stakeholders and will be vetted for approval by Government.
- **Development of a Central Securities Depository (CSD):** Taskforce members acknowledged the development work underway on the CSD to enable shares and other securities to be held and traded efficiently in digital form. An enabling legislative framework allowing for the implementation of the CSD has been drafted and is currently with Government for vetting. Implementation of the CSD is part of a wider national payments system reform that is anticipated to be completed within two years. Technical and advisory assistance for the project is being provided by the International Finance Corporation and the Commonwealth Secretariat, respectively with support from the Australian and New Zealand Governments. Similar projects are also underway in Vanuatu, Solomon Islands, Samoa and Papua New Guinea.
- **Managed Investment Schemes (MIS) Industry Expanding in the Pacific Region:** Taskforce members noted a 10.4 percent growth in total funds under management in the fourth quarter of 2019, bringing the value of the MIS market to \$422.1 million. Similarly, the number of unitholders grew over the period by 1,241 to 39,390, with individuals making up the majority of new investors (93.6%). Taskforce members also noted a 32.1 percent decline in unit repurchases to \$5.0 million over the quarter.
- **Capital Markets Week.** A second Capital Markets Week is being planned as a lead-up event to the World Exchange Congress in the second half of 2020. The weeklong event aims to raise awareness on the investment opportunities available in Fiji's capital markets and will include a number of activities such as school and social media quizzes and competitions and information and awareness campaigns.

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- **Capital Markets Advisory and Development Taskforce membership:**

Ms Makereta Konrote, Permanent Secretary for Economy, Ministry of Economy, Mr Pradeep Patel, Senior Partner, BDO Fiji, Mr Ariff Ali, Governor, Reserve Bank of Fiji; Mr Esala Masitabua, Deputy Governor, Reserve Bank of Fiji, Ms Lisa Apted, Partner, KPMG, Mr Nitish Niranjana, CEO, VB Holdings Ltd, Ms Krishika Narayan, CEO, SPX; Mr Sakiusa Bolaira, Manager Business Development and Company Secretary, Unit Trust of Fiji, Mr Haroon Ali, Country Manager BSP and Association of Banks in Fiji Representative, Mr Chris O'Neale, Head of Markets, Pacific, ANZ, Ms Caroline Waqabaca, Chief Manager Financial Markets Group, Reserve Bank of Fiji, Mr Poasa Werekoro, Chief Manager Financial System Development Group, Reserve Bank of Fiji and Mr Apenisa Tuicakau, Manager Domestic Markets, Reserve Bank of Fiji.

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