

NEW FOREIGN INVESTMENT APPROVAL QTREND



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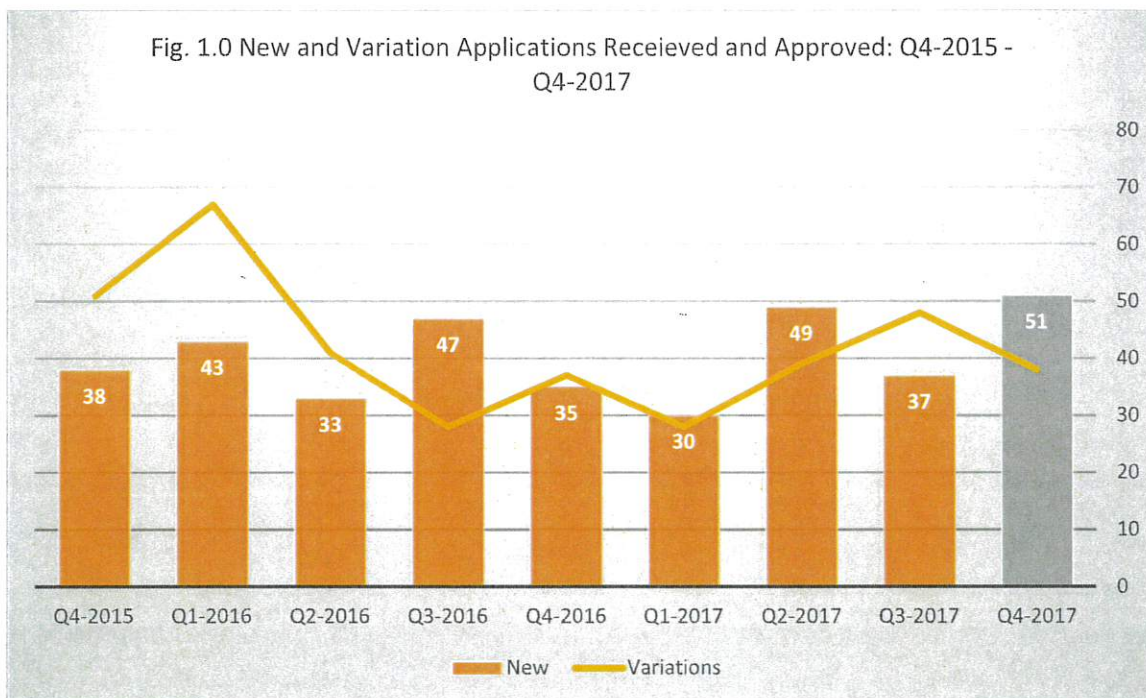
QUARTERLY FDI TREND UPDATE

QUARTER 4 – 2017

Release Date: Friday, 13 April 2018

- **NUMBER OF NEW FOREIGN INVESTMENT PROJECT APPROVALS MAINTAIN STEADY GROWTH. SUSTAINING THIS TREND REMAINS A CHALLENGE.**

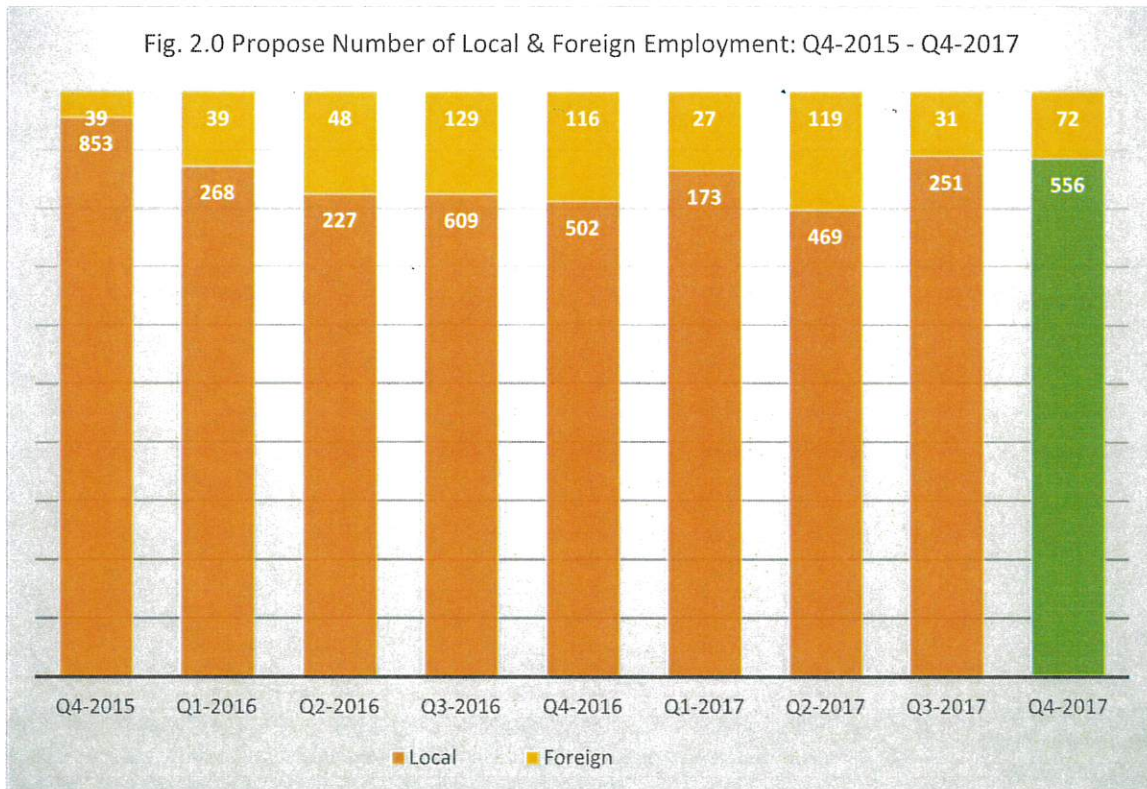
HIGHLIGHTS



- The number of new foreign direct investment projects approved by the VIPA Board during the 4th quarter of 2017 increased 39 percent over the previous quarter and 46 percent over the same quarter of the previous year.
- On an annual basis, total number of new projects approved in 2017 increased 5.7% from the previous year (from 158 to 167).
- The number of Variation Applications received however declined (down from 48 to 38) during the same quarter.

- During the quarter four of 2017, total proposed investment value for the approved projects reached VT4.5 billion with 556 proposed jobs for the locals and 72 for foreign workers.
- Of the 51 new approvals, 1 project has proposed value of over 1.0 Billion Vatu, which belongs to the Accommodation and Tourism Services Activities industry (ATSA).
- Top 3 prospective investing FDI source markets during the quarter include China, Australia, and Joint-Venture Local.
- Average processing time to process all approvals was 14 days. This has been and remains a challenge for VIPA to improve its overall processing timeframe (currently set to 15 working days).

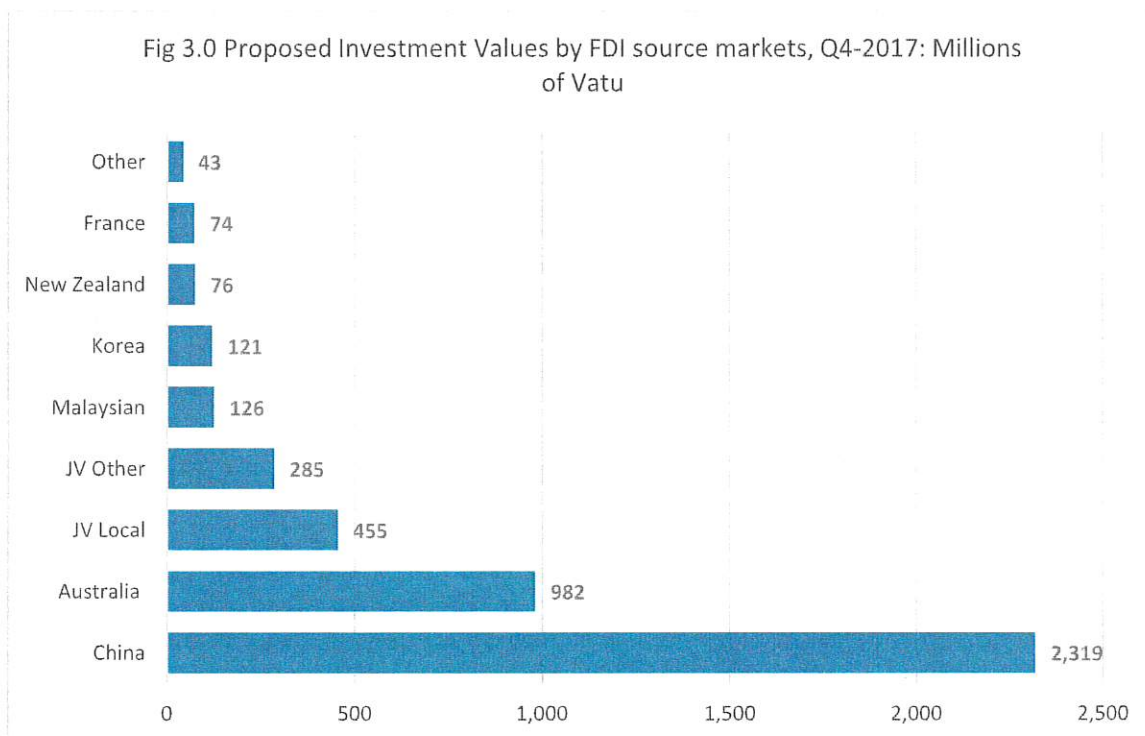
A. PROPOSED EMPLOYMENT FROM APPROVED NEW APPLICATIONS



- The number of potential foreign employees to be recruited during the quarter increased by 41. Compared to the same quarter of the previous year, total number of work permits granted was 116.

- The trend in the ratio of local to foreign employment remained fairly constant with an annual average of 8 locals to 1 foreign employee per application approved.
- A maximum of 2 work permits granted by default for every applications demonstrates VIPA's commitment to the Government's localisation policy.

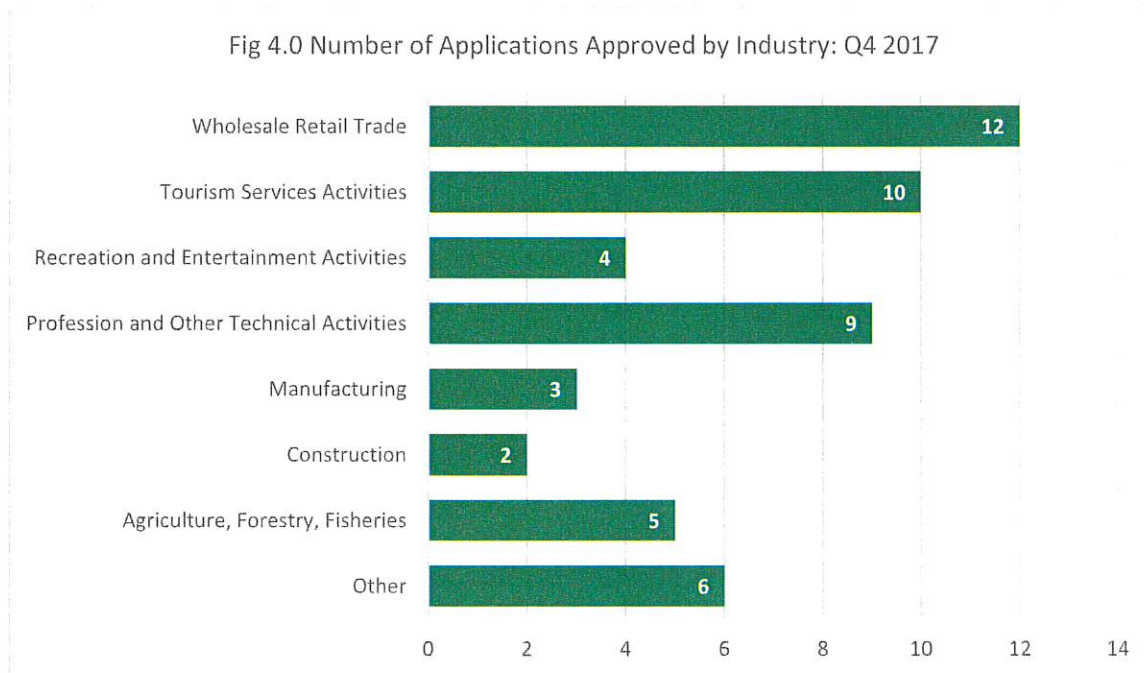
B. APPROVED PROJECTS BY SOURCE MARKET & PROPOSED VALUE



- China records the biggest investment with a proposed value of over 2 Billion Vatu during the quarter with Australia as second biggest investor with an investment value of 982 Million Vatu.
- China's biggest investment during the quarter has been a combination of two key industries; Tourism and Cattle farming.
- China makes history for the first time to take lead as Vanuatu's FDI source with 16 new approved projects compared to 9 for Australia. Australia has been dominating the competition since then.
- JV Other and JV Locals as leading FDI source markets confirms there is interest in Joint Venture business arrangement and could trigger further developments

in support of Government's policy to promote Ni Vanuatu entrepreneurs engaging in SME's developments.

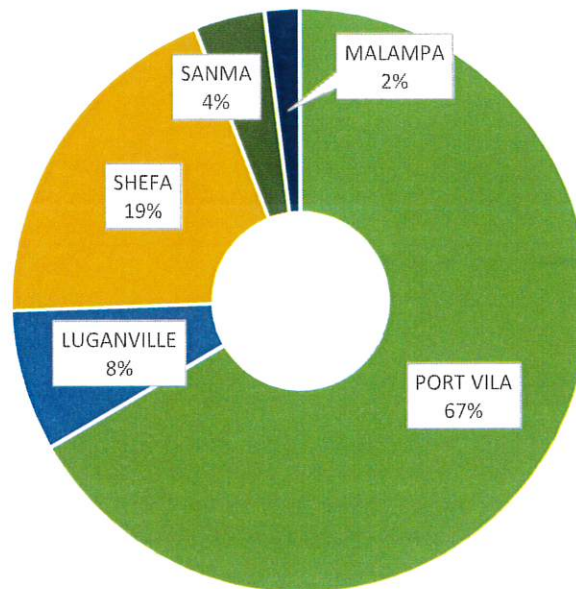
C. APPROVED APPLICATIONS BY INDUSTRY



- Wholesale and Retail Trade (WRT) records the highest number of application approved during the quarter with a proposed investment value of over 700 Million vatu.
- An important business activity in this sector are the usual import and export activities, of which retailing of solar products and repair accounts for the majority of the total investment value. This is encouraging to note as this investment is directly supporting the a key policy objective of Government's energy road map "ensure affordable and accessibility to renewable energy sources"

D. DISTRIBUTION OF APPROVED PROJECTS BY GEOGRAPHICAL LOCATION

Fig. 5.0. Approved Applications by location, Q4-2017



- Port Vila continues to claim the majority share of all new approved FDI projects. Port Vila and Shefa combined accounted for 86% of all projects approved during the quarter.
- Sanma and Luganville both accounted about 16% of all new projects with proposed investment values up to VT 0.5 billion vatu and offering 14 new jobs for the locals.
- The number of new projects for Luganville and Sanma Province during the quarter increased 20% compared to the previous quarter.
- Malampa Province claimed 1 new approve project during the quarter. Interestingly, Malampa has received a total of 4 approved projects during the year. It is indeed encouraging to see FDI projects expanding to this province as a result of improved infrastructure, particularly road networks improvements by China-based Company – CCECC.

This report is published in accordance with the Vanuatu Investment Promotion Act CAP 248, section 23 (3) with a focus on (a) the number of applications received by the Board; (b) the number of approval certificates granted by the Board together with an analysis of the capital investments to be undertaken; (c) the number of persons granted work and residence permits; (d) the number of citizens of Vanuatu employed or to be employed as a consequence of the approvals granted.

CONTACT US FOR FURTHER INFORMATION

Other reports on foreign direct investment (FDI) trends are also available on our website at www.investvanuatu.org

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