



From the CEO's Desk...



A few days before Christmas Eve 2020 the Head of State H.E. Obed Moses Tallis declared an extended State of Emergency (SOE) for another 6 months (from 1st Jan – 31st July 2021). Despite this, VFIPA has remained focused and optimistic.

To date our Board has met three times, making some very important decisions to advance VFIPA's work. Our Deputy Chair spent several weeks working very closely with the ADB PSDI on key aspects of the Act. We've also reviewed the new FI Act ready for important amendments to be tabled in Parliament later this year.

Other major initiatives include groundwork preparations for a Remote Workers visa, Incentives for the New Caledonia market, a first-ever Investment Promotion and Marketing Strategy (IPMS) for VFIPA and an Online Registration/Management Information System (MIS).

We've also proactively assisted the advancement of Vanuatu's Economic Development Zone (EDZ) and the Santo Free Trade Zone (SFTZ) initiatives and fully engaged in various fora including the High-Level Leaders Meeting (HLLM) jointly lead by the Hon. Prime Minister and the VCCI President, participated regularly in

the Tamtam Travel Bubble committee, and many other important meetings to help Vanuatu's economic recovery process.

We opened up VFIPA's own regional office in Luganville after several years of attachment to the Department of Customs, to which we are profoundly grateful.

Since February we've registered over 700 foreign investors (who employ in excess of 7,000 ni-Vans) in the country as part of VFIPA's 'Annual Survey' requirements. We sincerely thank our Foreign Investors who have weathered the storm with us. We've undertaken various company visits during the Quarter, and aim to intensify that process throughout the 2nd Quarter of 2021.

A major highlight of our work is the upcoming launch of Vanuatu's first passion fruits and banana exports (of one of our key investors) out of Santo to Australia by the Prime Minister himself, Hon Bob Loughman Weibur early next week in Kingstown, Luganville.

On Tuesday 20th April our Deputy PM Hon Alatoi Ishmael Kalsakau signed two very important Regulation Orders, firstly to significantly amend the intended 33 additional reserved occupations announced in May/ June 2020, and secondly, to reduce the existing work permit fees from 350,000vt down to 180,000vt. These are all very positive and encouraging signs for investments in Vanuatu.

In closing, I take this opportunity to

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sincerely thank all our staff at VFIPA under the leadership of our two proactive Managers Messrs. Raymond Vuti and Gelpen Silas for their relentless efforts and dedication to the work.

I thank the Board Chairman DG Joy and all our Board members, other partner agencies of the Government,

and our development partners, notably the Australian Government's Governance for Growth (GfG) program under the leadership of outgoing Director Mr Clinton Pobke for all their support, trust and confidence.

On this note I convey our heartfelt thanks to Mr Pobke for his support to

VFIPA over the past 10 months of my role as CEO. We wish him well in his future endeavours as he prepares to return to Canberra.

Albeit the 'new normal' we have to operate under, we remain optimistic for the future. Last but not the least, I thank God for His wisdom and for his leading thus far.

Minister Bule meets VFIPA Team

The Minister for Trade and Tourism, Honorable James Bule met with the VFIPA Team at a brief on Wednesday 3rd of March for an update on the Agency's current plans and activities. The meet was also to brief the Minister on the amendments that will be made to the current Foreign Investment Act No. 25 of 2019.

VFIPA CEO updated the Minister on key progress that the Agency has undertaken and also presented key challenges that exist for the Agency. The Minister was made aware of key performance indicators of Vanuatu's Ease of Doing Business ranking trend over the past years and was alarmed to see the continued drop in the country's performance.

As key performance indicators under the Ease of Doing Business ranking, Starting a Business indicator is one key area of performance that Vanuatu needs to look at thoroughly to see how



VFIPA PR officer presenting Act amendments

it can further improve this performer to ensure its overall ranking is essential. The Minister and his team which included his 1st Political Advisor, Mr Maurice Michel, and Advisor to the Minister, Mr Thompson Pakoa provided their support through suggestions on key recommendations that the Agency can undertake to contribute to the country's improved business environment.

The CEO highlighted key challenges which included working relations with key Government departments and the need to have a shared vision of what is best for Vanuatu's business

environment across all agencies and departments of the Government. This challenge comes at a critical time when Vanuatu is bounded by COVID restrictions and interest in new FDI has all but dwindled.

Therefore, preparations to ensure Vanuatu's doing business viability remains attractive is paramount for the Agency's undertakings.

The Minister was pleased with the overall presentation and assured the CEO of the continued support and working relation that the Agency and the Ministry will foster.

VFIPA and the Australian Foreign Investment Review Board (FIRB) virtual meet

The CEO of VFIPA Mr Howard Aru recently shared an hour's virtual (zoom) conference meeting with the FIRB on matters of mutual interest to Vanuatu on the all-important subject of Foreign Direct Investment (FDI).

The session was largely an information-sharing and familiarisation meeting for the FIRB officials to brief the VFIPA

CEO on how the FIRB operates, how the FRIB screens FDI that have an interest to operate in Australia, the investment conditions imposed in certain specific areas, and the Guidance Notes put out by the FRIB to help guide investors in their decision-making processes.

The two sides also discussed some potential areas of possible cooperation in future. The session

was introduced from the Vanuatu side by Her Excellency the Australian High Commissioner, Ms Sarah de Zoeten



VFIPA and FIRB zoom call

VFIPA Act back to Parliament

The Foreign Investment Act No.25 of 2019 will be returning to Parliament later this year for some very important amendments. The initial plan to have these amendments done in the first Sitting in May needed to be deferred due to some very important additional amendments being proposed for consideration as part of the Government's policy on Economic Development Zones (EDZ)

and a new latest development to see some important reforms undertaken within the Ministry of Trade to help it and respective agencies (including VFIPA) which report to it to better align themselves to the 'new economy' imposed on the Ministry and on the country as a whole as a result of Covid-19. As commented by VFIPA CEO Mr Aru during a recent in-house meeting between a few key technical

officials within the Ministry, "we are trying to implement work during these new normal times utilising outdated structures which were designed pre-Covid". Times have changed. We need to relook at how we do things, who does what, what gaps we need to fill, and more, in order to be effective and efficient moving forward.

Minister Bule participates in Regional Roundtable on the WTO Investment Facilitation for Development Negotiations



Hon. Minister Bule and team during virtual participation

The Hon Minister for Foreign Investments Hon James Bule teamed up with a number of senior Ministers across the Asia-Pacific region on Tuesday 30th March to provide some

country updates on the ongoing vital role of Facilitating Foreign Direct Investments in their respective Countries, largely within the context where 'Investment policy makers face a huge challenge to tackle declining foreign direct investment (FDI) flows as a result of the COVID-19 pandemic.'

VFIPA is working very closely with all other key Government agencies to help improve the Government's overall focus on investment facilitation within

the current difficult environment.



Hon. Minister Bule presenting during the roundtable meet.

Residency VISA framework targeted

A very interesting meeting was hosted by VFIPA recently where the Acting Director of Immigration Mr Stephen Willie briefed the CEO and staff of VFIPA and two interested members of the Tamtam Travel Bubble on a number of existing visa 'products' created by the Department of Immigration but not widely promoted and therefore unknown to a lot of potential beneficiaries.

These visa products were created and released via an Immigration Visa Regulation Order No.180 of 2011 and cover periods including 3 years, 5 years and 10 years. VFIPA, the Vanuatu Immigration Services and with the support of the Department of Labour have formed a joint 'Working Group' to help better clarify access to these different visa products and the pathways to accessing them



Acting Director of Immigration Mr Stephen Willie presents current VISA options

VFIPA beefs up compliance work

Monitoring and compliance checks on registered and approved foreign investments is an important role that is undertaken by Vanuatu Foreign Investment Promotion Agency (VFIPA).

Over the past years VFIPA did not engage effectively in its compliance program. However, VFIPA's new Act provides more emphasis on the function of registration of foreign invest-

ments activities where an important element of this role is the monitoring and compliance of registered investments during the implementation of their approved investment activities.

VFIPA is beefing up its compliance operations to ensure that meaningful investments are established within a reasonable time frame in adherence with the laws of the country.

During the first quarter of this year VFIPA conducted a number compliance checks. Deliberately providing information that is not true or not properly informing the agency on investment information incurs high penalties under the new Act and two investments have already been penalised for these breaches. All investors are encouraged to adhere to the foreign investment laws and all necessary laws that affect their business.

Coca Cola Amatil (Fiji) PTE Ltd expands to Vanuatu

The Vanuatu Foreign Investment Promotion Agency has this year approved the expansion of Coca Cola Amatil (Fiji) Ltd to invest in Vanuatu.

The company will set up shop in Vanuatu as the main distributor for all products under The Coca Cola Company (TCCC) brand however, will still use the services of the Vanuatu Brewery Limited (VBL) for the

delivery of its products. This comes as a positive for the Agency to see the interest Coca Cola Amatil (Fiji) Ltd has in establishing a presence here.

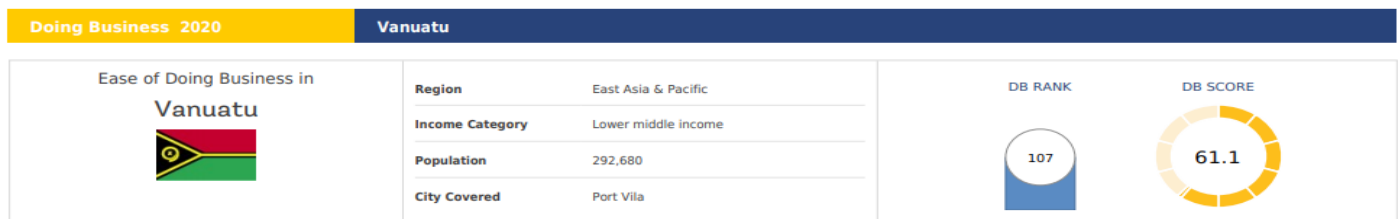
The company has its main South Pacific presence across Fiji with locations in Tonga, Samoa and now Vanuatu.

The company's proposed investment value stands at approximately 17

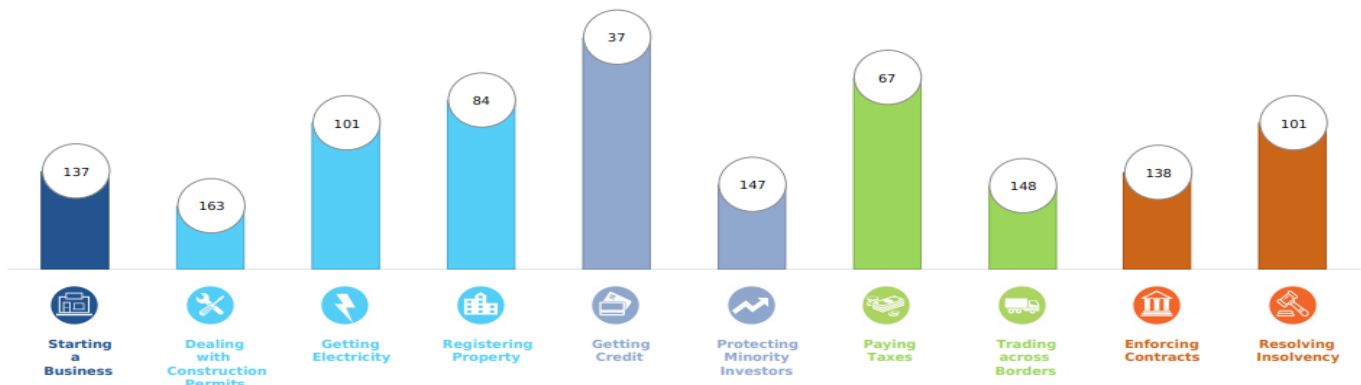
million vatu and will contribute to employment and training for Ni Vanuatu workers.

The Coca Cola Amatil (Vanuatu) Ltd (CCA-VL) will be located within the Vanuatu Brewery Ltd premises in Tagabe.

Vanuatu Ease of Doing Business



Rankings on Doing Business topics - Vanuatu



The World Bank's Ease of Doing Business Report plays an important role in influencing an investor's decision to invest in any country around the globe.

It summarises for key rankings that underpin what setting up shop in a foreign country will be like for any interested investor.

Vanuatu's Ease of Doing Business rankings have continued on a steady decline since 2017 however the country has also not

been able to improve the overall business rankings to what it was approximately 10 years ago which stood at 76 in 2010.

2021 ranking places Vanuatu a further down at 107. The higher your rank against other countries, the poorer your performance in doing business.

The Agency has engaged Mr Peter Judge who is attached with the Governance for Growth program to analyse the business ranking performance for Vanuatu

over the years and provide recommendations on key actions that can be undertaken to improve rankings.

These will primarily be administrative procedures that are involved in business startup in Vanuatu, specifically the length of processes versus the costs that tie into these processes.

Mr Judge stated in a presentation to the Agency that the Pacific region on the whole had dropped in its

performance in doing business rankings and this may be because other countries around the globe have improved their standing in key performer indicators therefore improving their overall ranking.

He continued to state that this however may cast a shadow over investor confidence to invest in the region for doubts over business viability.

Transition into paperless process

As of the 3rd of May 2021, VFIPA will begin its paperless journey. Help us get there through the following process:

1. Accessing our application forms

You can access our application forms for New, Variation and Annual Surveys through our website: www.investvanuatu.vu. Our forms are available in English & French and in MS Word and PDF format.

Alternatively, you can email our key contact officers, Ms Lashie Tom & Mr Alick Robsen Joe for soft copies of our application forms through: ltom@investvanuatu.vu and ajoe@investvanuatu.vu.

2. Applying through email

- Once you have completed your application form and scanned your supporting documents, send the application forms through to Ms Lashie Tom (ltom@investvanuatu.vu) where it will be pre-accessed. This process ensures that all the documents submitted are correct.

- You will be notified that your application is ready for management submission by the vetting officer once they are satisfied that all documents and the application form is in order.

3. Payment of applications

- You have the choice to deposit directly to our bank account Please present a receipt to the above email addresses for confirmation of your payment.

- You can also come to the office to make direct payments to Ms Lashie

The Agency will be teaming up with other key departments in the front line for business processes in Vanuatu to address administrative red tapes that slow business start up and hope to see an improved ranking in the years that will follow.

Tom.

4. Notification of application

- We are mandated to notify you on the progress of your application process and you are more than welcome to follow up on the application process yourself while it is being processed from our end.

- You will be notified by an email on the decision of your investment application and a scanned copy of your investment certificate will be sent directly to a working email representing your company therefore it is important to ensure that the email address you provide is valid and regularly accessed.

5. Facilities to assist you

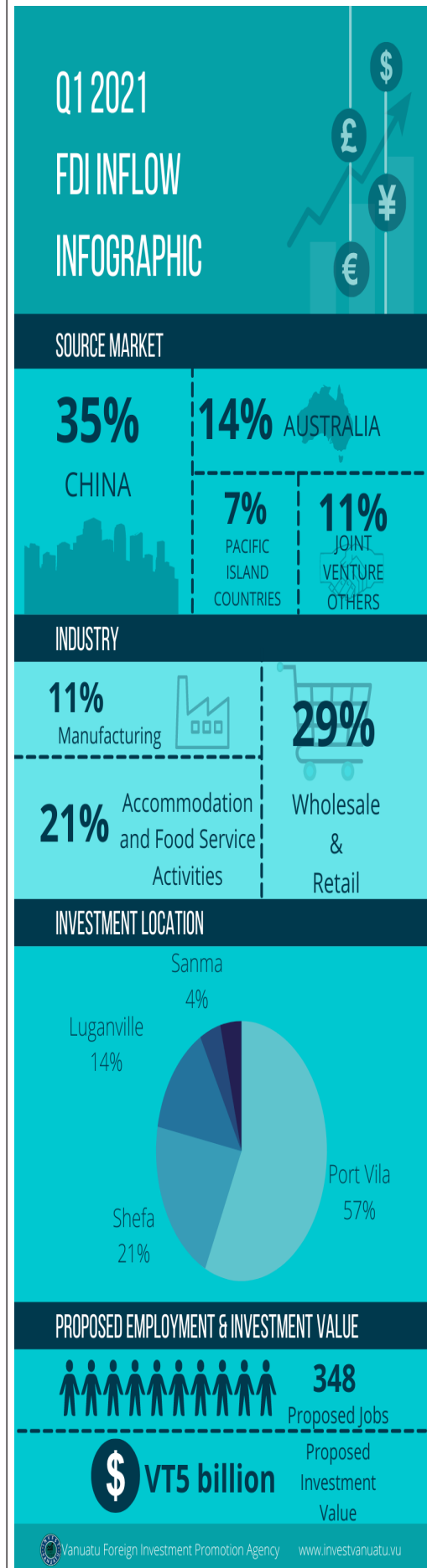
- VFIPA will be providing you with the facility to help you move into this process. There will be a computer set up at the office for clients who are not able to connect up from their investment site or have any other issues with sending their application from their investment location. Please ensure that your supporting documents are in order so that it can be done on the spot.

- Officers will be in place to assist you with applying.

Please contact our office for more info about this change through the following ways:

Telephone: (678) 24441/24096

Email: mbani@investvanuatu.vu



You can be part of our monthly newsletter to update everyone on how your investment is doing. Contact us through the following ways:

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