



**ADDRESS BY
GOVERNOR OF THE RESERVE BANK OF FIJI BARRY WHITESIDE
AT THE LISTING OF VISION INVESTMENTS LIMITED ON THE
SOUTH PACIFIC STOCK EXCHANGE
29 February 2016**

Mr Dilip Khatri, Chairman of Vision Investments Limited
The Board, Founding Members and Shareholders,
The Board and Chief Executive Officer of the South Pacific Stock Exchange
Members of the Capital Markets Fraternity
Members of the Media
Invited Guests
Ladies and Gentlemen

Bula vinaka and a very good afternoon to you all!

Introductory Comments

It is a pleasure and honour to help officiate at today's listing and the launching of trading of Vision Investments Limited on the South Pacific Stock Exchange.

Today we are marking an important milestone in the development of capital markets in Fiji, nearly 5 years since the last listing was achieved. Indeed, much ground work had to be laid for this listing to come to fruition.

May I therefore, at the outset, acknowledge the great foresight of the founding members and shareholders of the Vision Group for your strategic decision to take the Group to another level of operational excellence and growth, through this public listing. You have confirmed your commitment to be a key

contributor to the continued growth of our private sector, for which we are very grateful.

Ladies and gentlemen, the company directors had approached the Reserve Bank and the South Pacific Stock Exchange back in May 2015 expressing their desire to get their company listed. It is perhaps also worth noting that today marks the end of nearly five months of consultations, technical discussions and numerous correspondence between Vision Investments Ltd, the RBF and the Exchange, since the draft Information Memorandum was initially submitted. This was all necessary to ensure that compliance obligations were adequately addressed before the final approval was given.

Fiji's Capital Markets Industry

Friends, while we grieve for our beloved country and acknowledge the great pain and sorrow around us due to TC Winston, today's listing should be an occasion to celebrate, particularly for those who continue to work tirelessly for the development of the capital markets and more specifically for increased listing on our Stock Exchange.

The establishment of the capital markets industry and especially the stock market has long been a part of Government's economic reforms, aimed at stimulating a dynamic private sector to be the engine for economic growth in Fiji. It was considered particularly important that ordinary Fijians (our "mum and dad" investors if you like), be empowered to create wealth by presenting them with an equal opportunity to purchase shares in companies listed on the Exchange. This is achieved by turning the savings of investors into capital for business, enabling a flow of funds from investors to entrepreneurs and then back again through dividends and capital gains.

While we acknowledge that the capital markets industry in Fiji has some way to go to achieve a profound impact on the rate at which our economy grows and creates jobs, firm actions by companies, such as the Vision Group, to take the decision to list, is significantly assisting the industry in reaching its potential as a vital engine for economic growth. There are immense benefits to be gained by listing on the Stock Exchange and no doubt these would have been a core factor in the eventual decision taken by the Vision Group.

I am also pleased that the Government continues to support the Stock Exchange and the development of the capital markets in Fiji. Various tax incentives have been offered in recent years to listed companies and shareholders. These include: the 10 percent corporate tax rate for listed companies announced in 2014; exemptions from capital gains tax for shareholders; and, exemptions from tax for companies going through amalgamations in preparation for listing, announced by Government in 2015.

I would therefore urge institutions still thinking of taking the decision to list, to take advantage of these incentives and work on making their name on the Exchange.

Listing of Vision Investments Limited

Ladies and gentlemen, I have some observations on the significance of today's listing of Vision Investments Limited.

Upon listing, it will be the second largest company in terms of market capitalization on the Exchange, after Amalgamated Telecom Holdings (ATH). As part of the listing process, I understand that the founders of Vision Investments, namely, Jacks Equity Investments Limited, Challenge Engineering Limited, RC Manubhai & Company Limited, and Candle Investments Limited, intend to maintain a 60 percent holding in the company for 5 years from today.

There are currently 18 securities listed on the SPSE. The current overall market capitalisation of the listed companies will grow from \$1.09 billion to around \$1.2 billion after today's listing. I am optimistic that the overall market cap will continue to grow given the projected market activity caused by Vision's entry.

This listing could not have come at a more opportune time given the current high demand for listed securities in the market. Confidence continues to increase with potential investors wanting to invest in good securities. This latest listing has created a greater supply of shares in the market and this augurs well for our overall capital markets strategy target of reaching 100,000 new investors by the year 2020.

The Fijian Economy

Ladies and gentlemen, while this is an especially good moment for our capital markets, we are all deeply saddened by the loss of life and the untold suffering of many of our fellow Fijians in the past week. We have just faced the full fury of Mother Nature with Tropical Cyclone Winston cutting a huge swathe of death and destruction across our beautiful islands. We have again been reminded that the risk of natural disasters, which is outside our control, is at the top of our country's list of high risks and we continue to develop mitigants to minimize the impact of these on individual businesses, on our economy, and on the country as a whole.

We are still assessing the impact of TC Winston on our projected growth numbers, but before the event, the Fijian economy was forecast to grow 3.5 percent this year. It is still early in the year and we are hopeful that many of our sectors will be able to bounce back quickly if given the right support. We note that enormous damage was done to our informal sector private dwellings, mainly in villages that were in the path of the storm, and these will take time to rebuild.

Thankfully, in terms of the business sector that drive economic activity, apart from agriculture, the main core of our tourism industry operations, as well as key production plants, and large commercial centers have, by and large, been spared. There are of course exceptions in one or two areas, but overall, if anything, losses may not be very large, so key service and manufacturing sectors should continue to support our growth in the short to medium term.

It is likely that we will see some fall in foreign reserves as our domestic exports, including sugar and other agricultural products are impacted and as our spending on reconstruction hardware and other related items rise. However there will be some offsetting positives in terms of foreign aid and assistance inflows which have already begun to flow in through in-kind grants and even raised levels of remittances from our families abroad. While our reserves levels are currently very comfortable, any signs of sustained pressure on them will be addressed through appropriate measures including accessing special funding from the International Monetary Fund.

On the inflation front, we will likely see a rise in the prices of domestic produce over the next three to six months on account of reduced supply but this should ease in the second half of the year as supply improves. This will depend on how fast our farmers are able to rejuvenate their farms. They will need much assistance with seed material. On the positive side, the sustained low oil prices should help cushion the cost of recovery for those affected.

Dear friends, I would also take this opportunity to thank all private sector players, our licensed financial institutions and the business community as a whole, for the many initiatives and acts of assistance that they have rendered to the various relief efforts currently being undertaken to rebuild our country. I have been deeply moved by the immense goodwill in our communities and

foreign friends to help. I urge you all to continue that support as much as you can.

There have been numerous references in recent days to the resilience of our people and our communities during such challenging times and your contributions to ensure the continued growth of our economy through the acceleration of our rehabilitation efforts will be surely appreciated.

Our Prime Minister has often referred to the true fighting spirit of the Fijian people to get ourselves back up after a fall and to move on. We have been swept to our knees by a Category 5 cyclone, the second biggest ever to make landfall and it is now our time to bounce back!

Closing

Ladies and gentlemen, I again acknowledge the foresight of the founding shareholders of Vision Investments Limited to list the company on our South Pacific Stock Exchange. You have provided a further opportunity for “mums and dads” in Fiji to invest in the stock market. Today’s event is a milestone to be acknowledged and supported by all stakeholders who have an interest in the development of the capital markets in Fiji.

Before I close let me put on my Regulator hat and urge all potential investors to ensure that you are being provided with all the necessary information before you finalise your investment decisions. Please take the time to carefully peruse the Information Memorandum that has been prepared for listing and seek the professional advice of licensed investment advisors or stockbrokers on the suitability of this investment opportunity based on your own personal investment objectives. From a development perspective, we of course continue to look at

the efficiency and effectiveness of our own processes and procedures to assist where possible any potential listing.

Finally, may I also acknowledge the extensive due diligence work undertaken by all the professional service providers, the South Pacific Stock Exchange, and my Team at the Reserve Bank, who have made today's listing possible.

Ladies and Gentlemen, it gives me much pleasure to officially declare Vision Investments Limited as the newest listing on the South Pacific Stock Exchange, and I wish the company and its shareholders the very best in its future business endeavours.

Vinaka Vakalevu and God bless Fiji.

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