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**Prime Minister and Minister for Finance, Strategic Planning, National Development and Statistics, Public Service, Peoples Charter for Change and Progress, Information, iTaukei Affairs, Sugar Industry and Lands and Mineral Resources**

**SPEECH AT THE FIJI PINE GROUP HANDING OUT OF BONUSES**

**Fiji Pine HQ Fri 27th Feb., 2014**

**LAUTOKA 1200 Hours**

**Executive Chairman of the Fiji Pine Group,**

**Mr. Faiz Khan,**

**CEO of the Fiji Pine Trust, Mr. Osea Naiqamu,**

**Na Turaga na Tui Vitogo,**

**Marama na Tui Ba,**

**Turaga na Tui Vatu,**

**Turaga na Taukei Nalolo,**

**Turaga na Tui Heuheuvia,**

**Turaga na Tui Saqele,**

**Turaga na Talatala,**

**Fiji Pine Group Management and Staff,**

**My fellow Fijians.**

Bula Vinaka and good afternoon to you all.

I’m very glad that I was able to make it for this special occasion.

In fact, I’m travelling around the West today to inspect the preparations being made for the coming storm, but I insisted on keeping this appointment because I wanted to be here with you to celebrate yet another milestone in Fiji Pine’s remarkable turnaround. In this case, the presentation of the Industry’s first-ever lease security bonuses.

This is a wonderful new initiative that will forge a closer partnership between the Fiji Pine Group and landowners as the Group  continues to demonstrate to Fijians that the Pine Industry can not only be sustainable, but profitable.

It’s a shining example to the rest of the country of what can be accomplished when stakeholders share a vision and then join forces to accomplish it.

I’ve always said that co-operation and partnership during periods of reform will lead to shared successes and profits. And today is proof of this.

It’s true that I often hold up Fiji Airways as an example of how smart policies and long-term thinking can not only avert disaster, but pave the way for new beginnings.

The process of reform wasn’t always easy and my Government had to intervene to make a number of difficult decisions. But all involved were able to work together and in the end Fiji Airways emerged stronger and better than ever, including a profit-sharing scheme for employees that ensures everyone benefits from the company’s success.

Well, Ladies and Gentlemen, now we can start to talk about the Fiji Pine success story. There’s no doubt that the Fiji Pine Group which includes Tropik Wood, rightly deserves a place alongside Fiji Airways as an example of how the right policy settings, the right people and the right attitude can lead to the most remarkable turnaround in fortunes.

Like Fiji Airways, the Fiji Pine Group is showing us what can be accomplished when management, staff and stakeholders – in this case which also includes the landowners – work together towards a common goal. It’s a success story that all Fijians can be proud of.

I’m sure by now many of you know the story. As recently as 4 or 5 years ago, the company was drowning in debt, corruption, outmoded practices and mismanagement.

Repeated loans were barely able to keep the organisation afloat and many of those in the banking sector eventually started to feel like they were throwing good money after bad. By the end, those few who were willing to lend did so at astronomically high interest rates.

It’s true that many of the logging operations that were set up to help landowners see a healthy return never produced anything but a loss. In fact, the cost structure was so backwards that in theory one could make more money by doing nothing and simply receiving their no-strings commission payment from Fiji Pine. It doesn’t take a degree in finance to know that’s bad business.

It’s no surprise that as a result many landowners were unable to see the benefits of a partnership with the company. I don’t blame them. For a partnership to be successful, both parties have to see the advantages clearly, otherwise it’s an uneven relationship.

In this case, all the landowners could see was their land tied-up in an unprofitable enterprise. It’s no wonder many did not want to renew their leases when the time came.

I’m happy to say that we’re putting those days in the past. Fiji Pine is turning the corner under new leadership and capable management.

Indeed, the impetus for the reform at Fiji Pine was the appointment of skilled professionals in key management positions who have acted honestly and worked tirelessly for the company.

My Government has always put a premium on finding the right people to do the job, whether it’s building a road, running a Government agency, or getting water flowing from the taps.

In stark contrast to past Governments, we believe it’s about hiring the best person for the job, not about appointing someone because of where they’re from, what their ethnicity is, or who they know.

In order to attract the best, we’ve made sure that we offer competitive salaries that are in line with the private sector. The cost is more than made up for by the increase in capability, productivity, honesty and transparency.

We’ve adopted this policy across a broad front and I’m happy to say that it is already paying dividends, as can be seen right here at Fiji Pine.

Faiz Khan has led his team through the most incredible reform program that’s moved the company toward sustainability and growth, two words that we always like to hear.

As a result of his strong leadership, all stakeholders stand to benefit including the landowners, staff and all workers.

Now, the company is actually in the position to start clearing its debts and paying corporate taxes for the first time in its history.

Today, Fiji Pine will be repaying a loan of $6.7 million to Fijian Holdings Limited, which I helped them secure less that a year-and-a-half ago. In August last year, Fiji Pine repaid a $2.4 million Government loan less than 3 months after it was made. This is clearly quite a difference from the past record of taking more than 25 years to pay off a loan, if ever. Such ability to pay off loans within only such a short period of time is virtually unheard of in Fiji.

By conducting business like this, it’s no wonder that banks are beginning to lend to the company at record low rates.

But, of course, an organisation is nothing without its staff, it's workers. My Government has always believed that all employees should benefit from their company’s success. It’s a matter of basic fairness and one of the most fundamental of workers’ rights.

Fiji Pine is no exception. In this case, the company’s growing success has already allowed it to reward its employees for their hard work with pay rises last year as well as bonuses for unused sick leave.

They have also reinvested some of their profits to improve working conditions for employees, including the construction of a new canteen that offers subsidised meals and new shower and toilet facilities.

Another major part of the reforms has been bringing the landowners back into the fold by showing them that the Pine Industry can indeed be profitable.

This brings us to why we are gathered here today.

Lease security bonus payments are a new idea designed to encourage landowners to renew their leases with Fiji Pine. They are a sign of change for the better and an indication of more benefits to come.

Under this system, bonuses will be paid to landowners with land currently leased to Fiji Pine that has at least 15 years of the lease term left or land that already has pine plantations on it.

This will allow Fiji Pine to replant land that is currently not being used. There’s no point planting a tree today if the land will be taken away tomorrow.

I hear that out of the sixty-thousand hectares of leased land on Viti Levu, only twenty-thousand are currently planted.

This program will help switch those figures around. In total, 300,000-dollars-worth of these bonuses is being paid out today, and I understand that by 2015 Fiji Pine plans to grow the program to $1-million.

Ladies and Gentlemen,

My Government supports reforms like that at Fiji Pine because we care about making the necessary decisions to achieve concrete results. We’re not interested in fancy words that make empty promises. Words come easy, and like that, they’re gone again.

We want reforms that benefit ordinary people. This has always been my Government’s top priority and it will continue to be as long as I am your Prime Minister.

With those few words, it is now my pleasure to hand over the very first bonus payments to Fiji Pine’s landowning-partners.

Vinaka Vakalevu. Thank you.

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