

**COMMODORE JOSAIA VOREQE BAINIMARAMA, CF (Mil), OStJ, MSD, jssc, psc**

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

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**PPP ANNOUNCEMENT BETWEEN FPCL AND AITKEN SPENCE PCL**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Cabinet Conf. Rm Tues. 30th April, 2013

GOVT. BLDGS 1430 Hours

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Attorney General and Minister for Public Enterprises;

The Directors and CEO of Fiji Ports Corporation Limited;

The Chairman and Director of Aitken Spence Maritime;

Permanent Secretaries;

Distinguished Guests;

Ladies and Gentlemen.

Bula vinaka and a very good afternoon to you all.

It’s a great pleasure to be here this afternoon for a very important occasion - the signing of the agreements between the Fiji Ports Corporation and Aitken Spence to improve the performance of Fiji’s two biggest ports in Suva and Lautoka.

These installations – run by Ports Terminal Limited - are vital gateways to the country and are crucial to our economic growth and development. Regrettably, their poor performance has been hampering that development. In fact, their performance has been so poor that shipping companies have imposed special levies on their voyages to Fiji that have pushed up the cost of our imports and exports.

This affects every Fijian and cannot be allowed to continue. So today, I announce a program of radical reform. The old ways of doing things on the wharves are over. These ports need to be run as smoothly and efficiently as possible to ensure that our trade flows more freely and more cheaply for the benefit of all Fijians.

As with other aspects of the country’s infrastructure, my Government is striving for world’s best practice. We cannot afford to be complacent. We cannot settle for second best. In the modern global economy, staying competitive is essential and especially for smaller economies like Fiji. And so we’ve embarked on a series of reforms to improve our performance across a range of sectors.

To achieve this, we are prepared to enter into partnerships with the private sector to ensure economic growth and national prosperity.

The alliance we are signing today is undoubtedly one of the most significant – to improve the operating performance of the container installations of Suva and Lautoka through a Public Private Partnership between the Fiji Ports Corporation Limited and its wholly-owned subsidiary, Ports Terminal Limited and Aitken Spence of Sri Lanka.

For more than a hundred years, Aitken Spence has been involved in handling cargo and other maritime services. From small origins in British Ceylon in 1868, it has evolved into Sri Lanka’s biggest maritime logistics firm - a blue chip company at home and an important global player, operating throughout South East Asia, the Middle East and Africa. It has other interests in tourism and the health sector that also align it with Fiji’s needs and priorities.

Aitken Spence has a reputation for certain things my Government values most - innovation, imagination, thinking outside the box.

We see it as the ideal partner to improve the overall performance of our two main ports and look forward to implementing our joint vision to transform the operations in Suva and Lautoka.

The reforms we have in mind are exciting for every Fijian who cares about our economy and national prosperity. They will also be challenging to certain vested interest groups who’ve been comfortable with the way things are.

Some of these reforms are way overdue. There’s been far too much corruption on our wharves, far too much sabotage when certain people don’t get what they want. We’ve seen far too many restrictive and outdated work practices, far too much over-manning, far too much resistance to change.

We need better turnaround times for ships visiting our ports. We need to make Fiji more competitive, more attractive as a trans-shipment hub for other places in the Pacific. And we can only do this by lifting performance standards in Suva and Lautoka.

When we invited expressions of interest in a Public Private Partnership to invest in and manage Ports Terminal Limited in December, Aitken Spence came to us with a comprehensive blueprint to boost the efficiency and productivity of our port movements.

We share the same vision to make these container terminals world class, to radically overturn the inefficiencies of the past and apply best practice to eventually establish them as the leading ports and maritime logistic centres in the Pacific.

What’s in it for ordinary Fijians? The global record shows that where there’s better efficiency and productivity on the wharves, prices come down. The goods we import get cheaper because shipping charges fall, just as our exports become a lot more attractive in the global marketplace because they’re better able to compete. Increased sufficiency in our ports would mean more goods will run through our ports thereby boosting the economy and creating more jobs. The Government expects the business community to pass on these price reductions to the public. We will be monitoring.

Overall, these reforms mean more jobs and more investment as we reduce the cost of doing business in Fiji. Yes, initially there may be re-organization on our wharves as certain changes are implemented and new technology is introduced. However, these will be more than offset by the creation of new jobs as the benefits flow to the wider economy.

And so we welcome Aitken Spence to Fiji to begin a partnership that involves not only its investment but its vast experience in the maritime industry, its management skills and proven processes and systems.

The odds of success are vastly in our favour. 88 of the top 100 sea ports in the world are run by public/private partnerships like this one that generate much higher revenues than operations that are wholly government owned.

I want to pay tribute to those who negotiated this deal for their hard work - the Directors and Management of Aitken Spence and Fiji Ports Corporation Limited and the Minister for Public Enterprises and his team.

With more hard work, plus the co-operation of everyone in the industry, we believe this partnership will drive the increased efficiency and productivity that is so badly overdue. And together, we will make Suva and Lautoka the leading ports in the Pacific and fulfill their potential at the crossroads of this important region to drive economic growth and benefit all Fijians.

Vinaka vakalevu. Thank you.

\_\_\_\_\_\_\_\_\_\_