

**Minister Lim**

**Distinguished Guests**

**Ladies and Gentlemen**

Firstly, let me thank you Minister and your staff for all the hospitality extended to me and my delegation since we arrived. We are very grateful indeed.

Today is an historic one in the history of our bilateral relations, since it was first established in the early 1970s. That was of course during the days of our former and late PM and President, Ratu Sir Kamisese Mara and your former PM, who remains Minister Mentor today, Mr Lee Kuan Yew. These two friends' contributions to their respective countries are the stuff of legend and history.

The DTA we have just signed is Fiji's eighth coming after those for the UK, Japan, NZ, Australia, S. Korea, Malaysia and PNG. It is certainly the culmination of years of work that started way back in 1998, when the Fiji Cabinet then decided to start the negotiations with your Government.

The momentum created after the first round of negotiations in 1999 was rudely interrupted by the political upheaval in Fiji in 2000 and continued on to 2001. Fiji is indeed grateful to the Government of Singapore for pursuing with this project, despite the political crisis Fiji has come through.

**Other countries, I am sure, would have been tempted to just pack up and leave. You persisted. And that is the sign of true friendship!**

**It was only in November of 2002, when the second round of negotiations was conducted. This round of negotiations resulted in a draft DTA, which had been checked and re-checked for technical and drafting accuracy.**

**From Fiji's perspectives, the benefits of this DTA is two-tiered. The first of course is the benefit that usually accrues from a DTA – avoidance of double taxation. That however benefits both governments. The second and which is specific to Fiji, is the tax sparing provision.**

**Under this provision, Singapore will allow a tax credit to Singapore residents for tax foregone by Fiji under its tax incentive measures. These incentive measures are unspecified but relate to all tax incentives in existence at the time of entering into force of this Agreement.**

**Fiji believes that this provision can act as a strong pull factor that will attract Singaporean investment onto our shores. Ghim Li is the latest of your investors in Fiji. But we have the capacity, hunger and desire for more.**

**Tax Sparing provision used to exist in the Fiji-Australia DTA. It has been removed. But you will be interested to know that Australia provides the largest investment capital in Fiji today.**

Currently, Fiji-NZ DTA has tax sparing provisions. This obviously explains the increase flow of NZ investment into Fiji today. At Denarau Resort, currently our biggest tourist complex, the quantum of NZ investment capital flowing into that project exceeds that from Australia. This is expected to be repeated in two other tourist complexes currently being developed in Momi Bay and Natadola along Fiji's Coral Coast—each one of them will be bigger than Denarau.

The signing today also marks further strengthening of our relations. Fiji has benefited immensely from such a relationship. Your technical assistance and training under the Singapore Cooperation Programme and the Third Country Training Programme have resulted in increased skills, knowledge, experience and competence to our professional labour force, and much-needed development to our infrastructures, specifically in our transport and aviation sectors.

Fiji welcomes your decision to have your High Commissioner in Wellington, NZ, to be accredited to Fiji. I must say however that your previous arrangement, where former High Commissioner Lee Chiong Giam was operating from here, did work well despite the distance. I understand that he has been promoted, and I congratulate him warmly.

The Agreement that we have signed today can be the instrument to bring investment to Fiji, to increase our bilateral trade, to improve the trade deficit for Fiji, and can also be the motivation that will eventually bring commercial results to the Fiji-Singapore ASA which was concluded way back in 1998.

**Under this ASA, there had been discussions on a possible Fiji/PNG/Singapore/India code-sharing by our various airlines. I do believe that after the signing of this DTA between our countries, after the recent establishment of Fiji's High Commission in New Delhi, and after the recent Melanesian Spearhead Group Summit in PNG a few months ago, the time for this exciting aviation linkages has finally come!**

**Minister, thank you once again for this opportunity. Fiji congratulates officials of both countries, who have worked hard to conclude the negotiations. We will return to Suva to activate the necessary legal process, and will revert immediately with a note to advise the entering into force of this Agreement.**