

NEW FOREIGN INVESTMENT APPROVAL QTREND



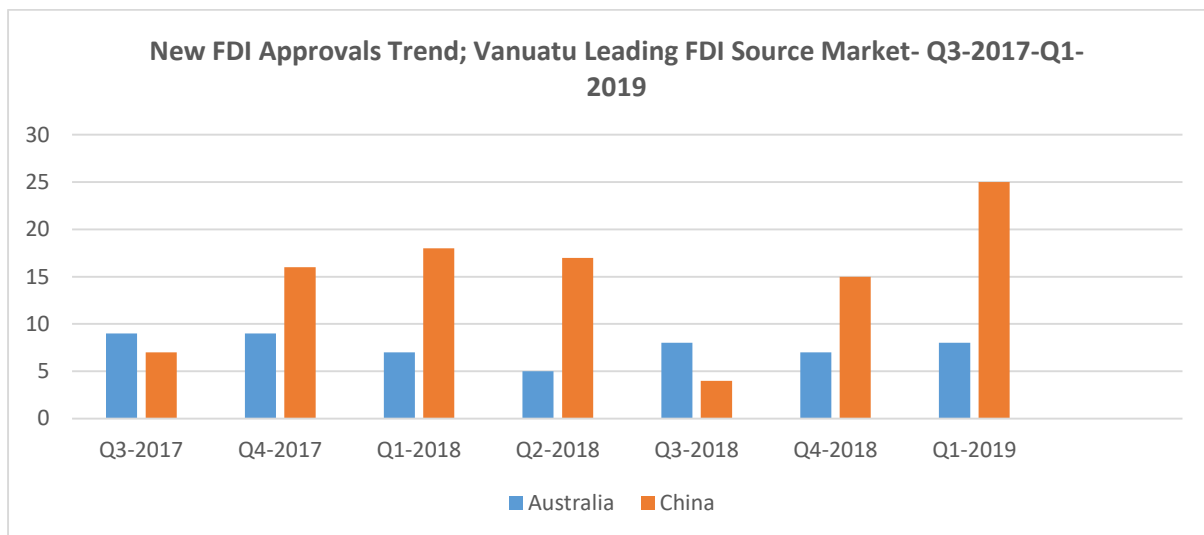
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QUARTERLY FDI TREND UPDATE

QUARTER 1 – 2019

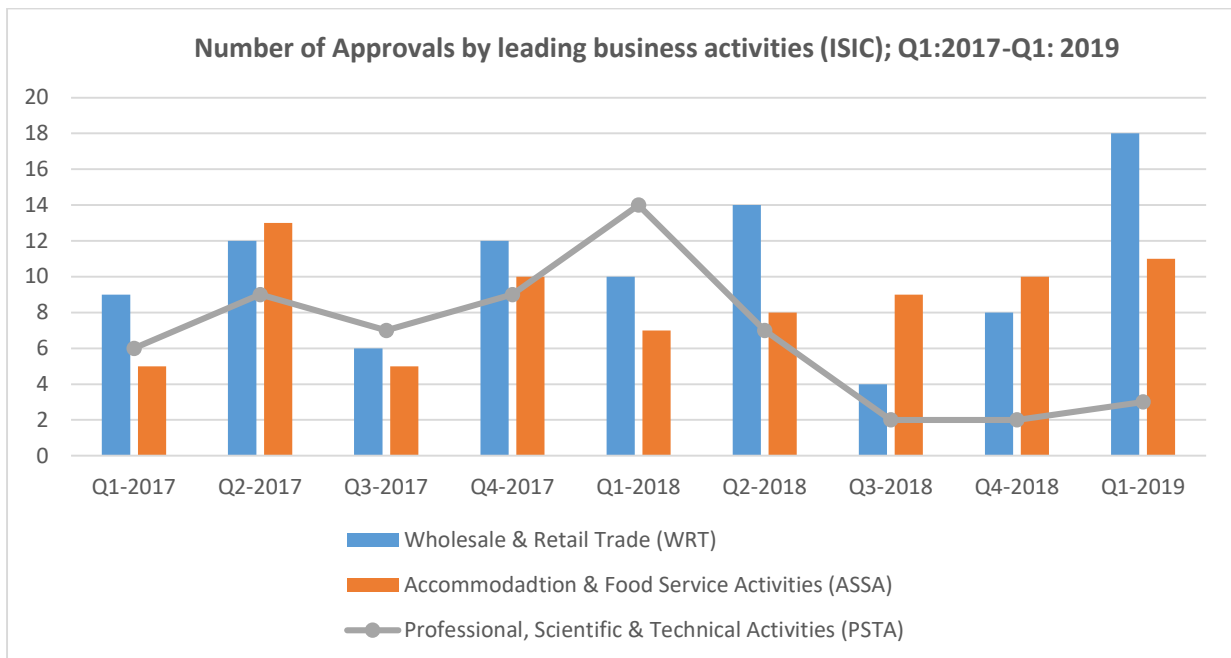
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NUMBER OF NEW FOREIGN INVESTMENT PROJECT APPROVALS IN Q1 2019 INCREASES. CHINA CONTINUES TO DOMINATE.



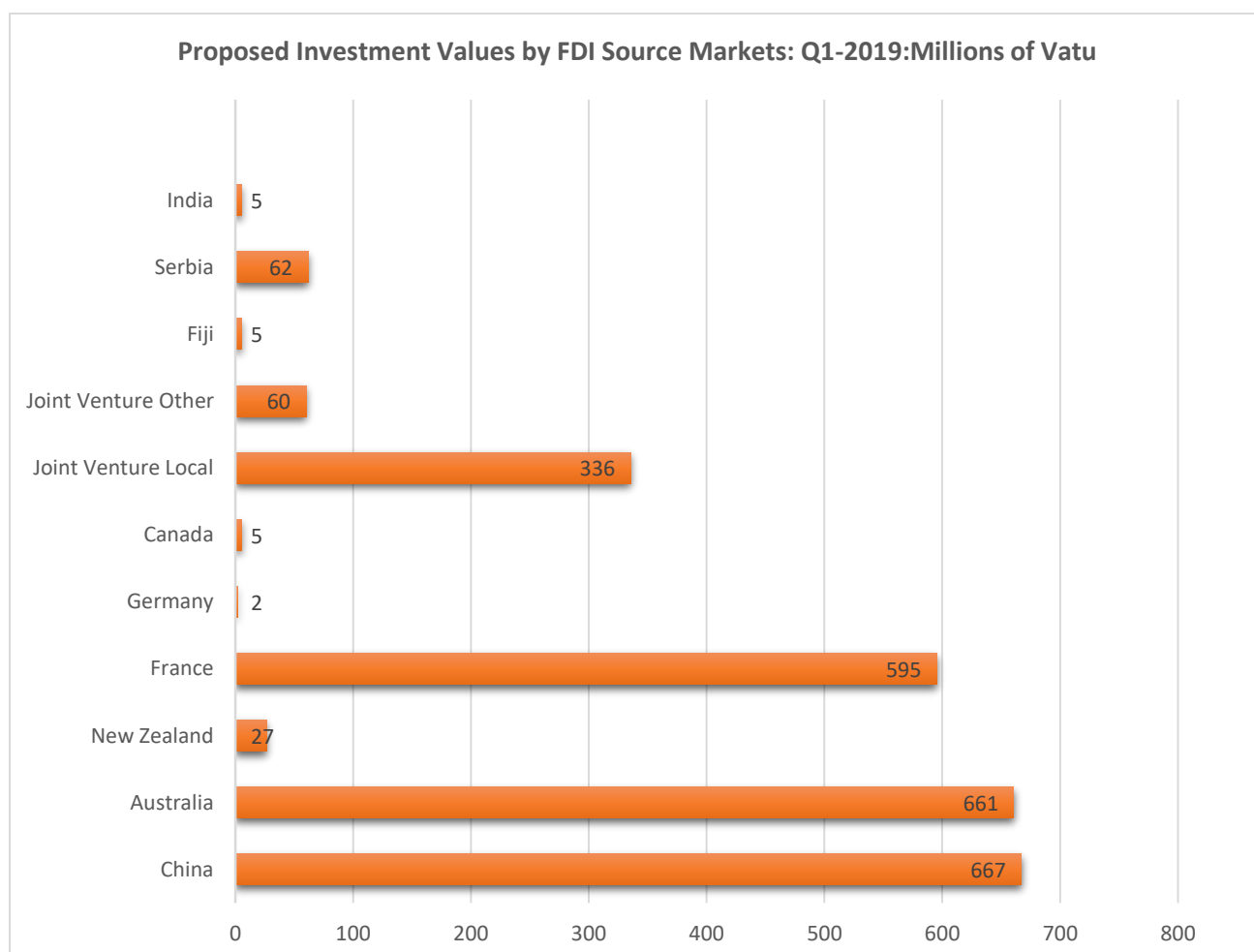
- During the 1st quarter of 2019, the VIPA Board and Management have facilitated the approval of 95 Foreign Investment Certificates (FIC) of which 51 are new and 44 are variation projects.
- The 1st quarter of 2019 saw fourteen more applications compared to the previous quarter.
- Of the total number of approvals, China accounts for the majority of investment coming into the country.
- China continues to maintain its lead as the number one source of FDI in Vanuatu.
- Total proposed investment value for approved projects during the quarter reached VT 2 Billion. *Accommodation and Food Services Industry (AFSA)* and *Wholesale & Retail Trade (WRT)* claim the majority of total proposed investment with a combined value of 600 Million.

A. APPROVED FDI PROJECTS BY INDUSTRY CLASSIFIED BY (ISIC)



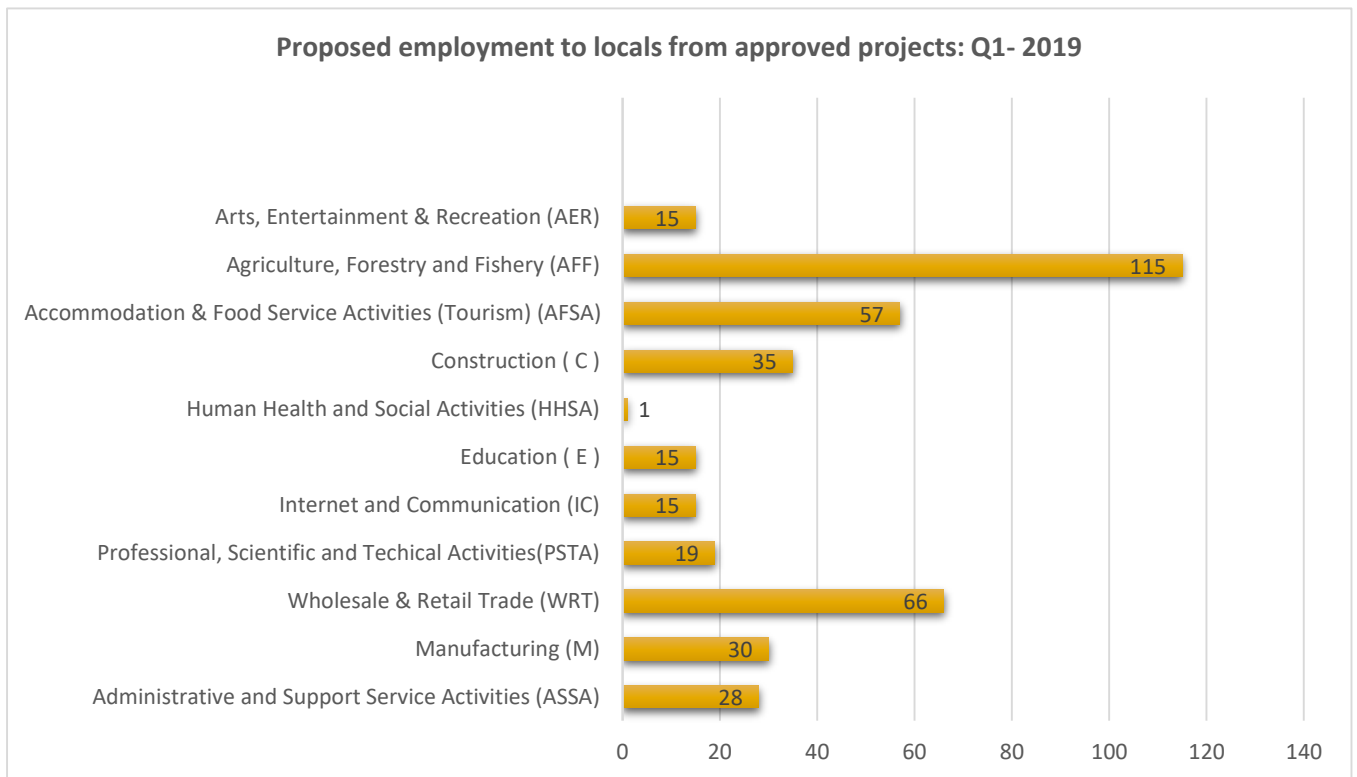
- The *Wholesale and Retail Trade (WRT)* and *Accommodation & Food Service Activities (AFSA)* continuous to dominate strong economic growth due to high demand in the Tourism industry.
- *Wholesale and Retail Trade (WRT)* and *Accommodation & Food Service Activities (AFSA)* accounted to 600 Million worth of investment value. Combine of 123 proposed employment opportunity for Ni-Vanuatu.
- While *Professional, Scientific & Technical Activities (PSTA)* or F4 according to the Business Licenses Classification has been a growing industry, however, this particular industry has experience 4 quarters of consecutive declines.
- *Professional, Scientific & Technical Activities (PSTA)* investment value account to 69 Million during this quarter.

B. APPROVED PROJECTS BY SOURCE MARKET & PROPOSED VALUE



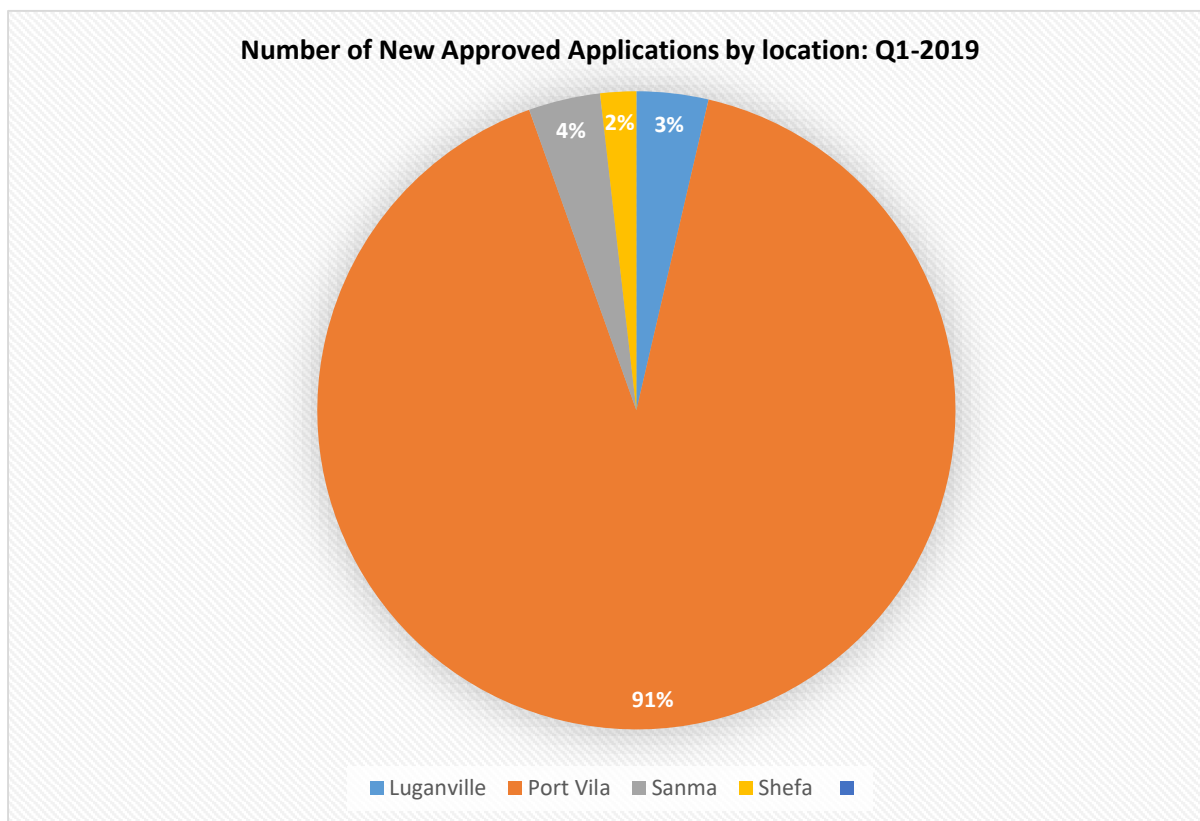
- China records the biggest investment with a proposed value of VT667 Million during the quarter and Australia and France as second biggest investors with investment values of VT 661 Million and VT 595 Million respectively.
- China's biggest investment during the quarter was *Accommodation and Food Services Industry (AFSA)* followed with *Wholesale & Retail Trade (WRT)*. Australia's comes in second, showing an increase in *Transport & Storage (TS)*.
- France's comes in third during the quarter, investing in *Arts, Entertainment & Recreation (AER)*.

C. PROPOSED LOCAL EMPLOYMENT BY INDUSTRY



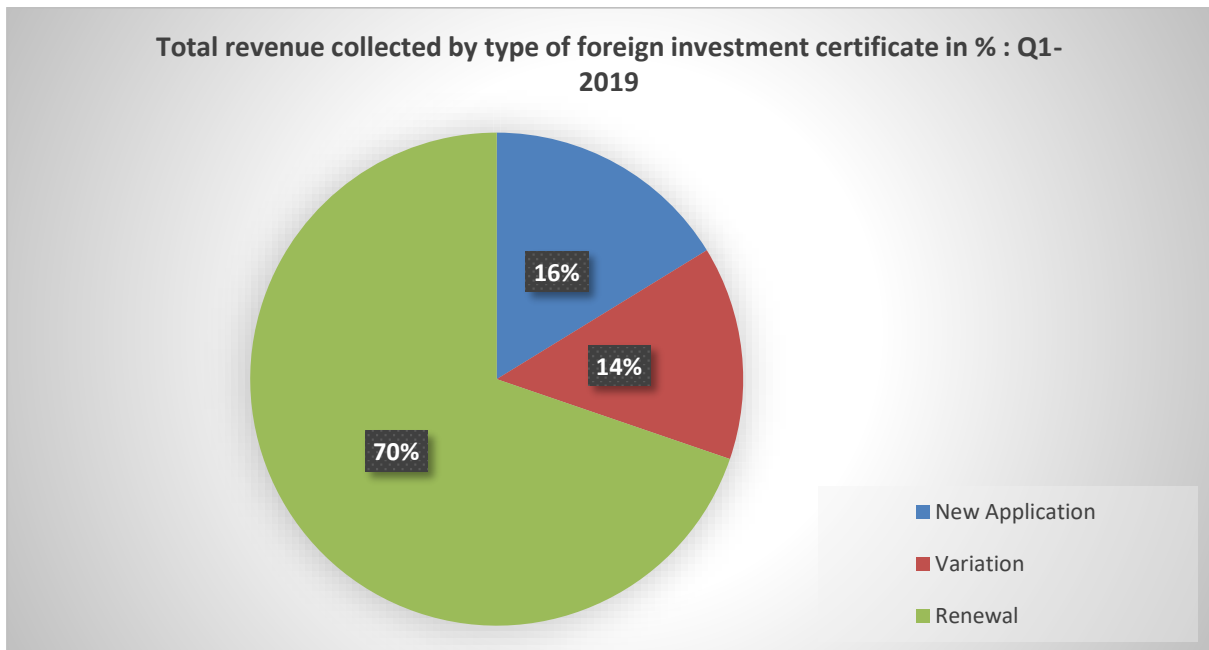
- *Agriculture, Forestry and Fishery (AFF)* provide for the majority of proposed jobs to be offered to the locals accounting for 29% of the proposed employment.
- *Wholesale and Retail Trade (WRT)* as a single industry comes in second and have become significant activities during the quarter accounting 17% of total proposed employment.
- *Accommodation & Food Service Activities (AFSA)* comes in third during the quarter accounting 14 % of total proposed employment.

D. NUMBER OF NEW APPROVED PROJECTS BY GEOGRAPHICAL LOCATION



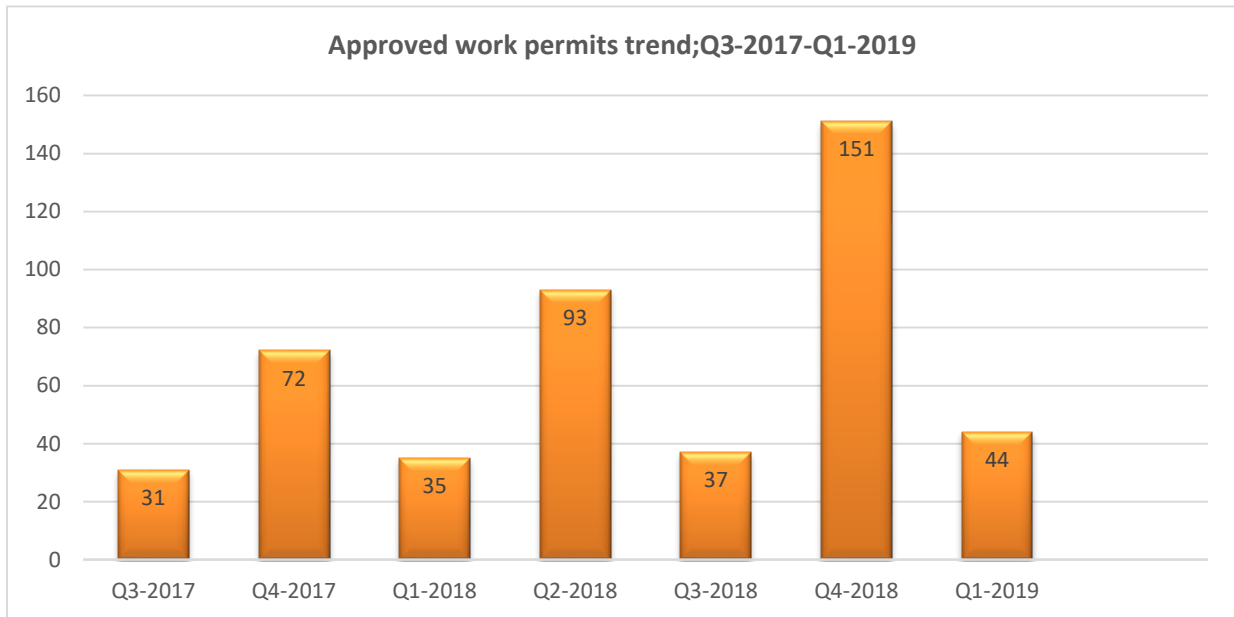
- Port Vila continues to claim the majority share of all new approved FDI Projects accounting for 91 percent of all approvals with a total value of investment reaches VT 2,234,786,481. While Sanma and Luganville accounted for the remaining.
- Total proposed value of investment for Luganville and Sanma province reached VT 184 Million and 123 proposed employment opportunity for Ni- Vanuatu were recorded.
- It is very interesting to take note that Sanma and Luganville are located in the same geographical area with numbers of investment conducted. With the supports of the Government, there are major infrastructure development projects focused in the area. This includes other outer Islands throughout Vanuatu, particularly Malekula and Tanna.

E. REVENUE COLLECTED DURING THE QUARTER



- Total revenue collected during the quarter totalled VT14, 010,000. Application fees collected from new and renewal applications contributed the biggest portion of the total revenue.

F. APPROVED WORK PERMITS DURING THE QUARTER



- China records the highest number with 26 proposed foreign work permit during the quarter.
- Australia and Joint Venture Local comes in second with a total of 6 proposed foreign work permit each during the quarter.
- While Serbia comes in third with a total of 5 proposed foreign work permit. Joint Venture Other only account to 1 proposed foreign work permit during the quarter.
- A total of 44 proposed foreign work permit recorded this quarter compare to the previous quarter which record the highest number of proposed foreign work permit.

This report is published in accordance with the Vanuatu Investment Promotion Authority Act CAP 248, section 23 (3) with a focus on (a) the number of applications received by the Board; (b) the number of approval certificates granted by the Board together with an analysis of the capital investments to be undertaken; (c) the number of persons granted work and residence permits; (d) the number of citizens of Vanuatu employed or to be employed as a consequence of the approval granted.

CONTACT US FOR FURTHER INFORMATION

Other reports on foreign direct investment (FDI) trends are also available on our website at

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