

# ANNUAL REPORT

# 2024



## YOUR **GATEWAY**

To investing in Vanuatu

Our focus on retention and expansion of existing investments has not been without its challenges, but a good start and progress made during the year.



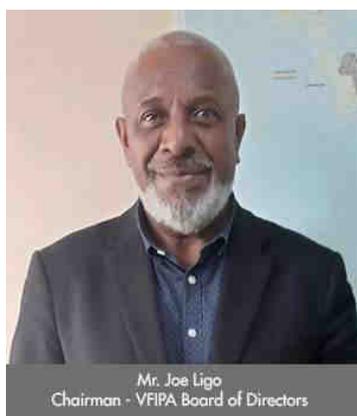
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## MESSAGE FROM THE CHAIRMAN



As the new Chairman for the Vanuatu Foreign Investment Promotion Agency (VFIPA) Board of Directors (BOD) I am very pleased to present the Agency's 2024 Annual Report.

First, I commend my predecessor for his leadership and commitment in leading the BOD and Management during the most challenging year the Agency has ever experienced. Credit to him for the achievements the BOD and the Agency have achieved during the year. My goal is to build on what has been done and with the support from members and management, I believe we can make good progress towards achieving the goals of the Agency.

2024 has been a very tough year for the Agency and the Government as a whole. Ongoing challenges from natural disasters, geopolitical tensions, covid-19 pandemic, air Vanuatu liquidation and inflationary pressures present Vanuatu a very rough path to recovery. Attracting and winning inward foreign direct investments (FDIs) by the Agency in the face of all these disruptive events has been very difficult.

The 7.3 magnitude earthquake that struck near Port Vila on 17 December 2024, causing extensive destruction to Port Vila in which up to 60% of the FDIs are located made things become more difficult. Some business must cease operation because they have been seriously damaged, temporarily closed and seek to relocate to other locations or secure new sites and build new business facilities altogether.

Despite these challenges, the VFIPA (BOD) and management maintained ongoing operations for the Agency with the support of the National Government and other key stakeholders. The Agency had to relocate to another location because of the earthquake. This move had minimal effect on its normal services, especially the registration services. Credit the Agency's [online registry portal](#) that enables staff and customers to continue to engage and ensure normal registration services, customer support and other service deliveries.

VFIPA is a member of the earthquake recovery committee under the Ministry of Trade and Commerce (MTC) whose role is to provide up to date information on the number of FDIs affected in and around Port Vila. This information will eventually reach the National Disaster Recovery Center – the national committee who oversees all recovery processes for their purpose. I noted the active participation of VFIPA on this committee and was very pleased with the contributions it has made to the committees.

In 2024, announced FDI registered were 227 projects, 5% (down) compared to the previous year with proposed investment value of VT6 Billion and proposed employment of 1,051 jobs for the local. While the decline is expected due to global uncertainty, the BOD is pleased to note that FDI projects already on the ground continue to make significant contributions to the government recovery efforts and strongly supports activities to targeted investors undertaken by VFIPA and partner agencies.

The VFIPA BOD recognizes the importance of FDIs contribution to growth through employment creation for the locals, capital formation and technology transfer, as well as through facilitating skills development and improving access to global markets. For example, according to the Agency's FDI

registry records, 909 existing FDIs in 2024 created 9,683 jobs for the locals and over VT100 Billion worth of stock including other direct and indirect benefits.

These benefits are crucial and necessary as Vanuatu continues with its recovery journey. The BOD is aware that this will not be an easy task and will take some time for growth to resume. With the right choice of priority sectors to focus on and supported by sufficient resources, VFIPA BOD believes it can make positive contribution to this recovery journey.

Change in business dynamics is becoming very apparent and rapid, causing uncertainty levels by foreign investors to remain high. This means a readjustment and refocus on how VFIPA conducts its normal promotional activities is necessary. The BOD recognizes the shift the Agency has taken to a more targeted promotional approach, retention and expansion of existing FDIs while ensuring a conducive ecosystem remains paramount. And expected outcomes from this shift cannot be achieved by the Agency alone but through effective coordination between partner agencies and key stakeholders. Therefore, the need for enhanced institutional collaboration between the Government departments, private sector and strategic partners is of paramount importance.

Focussing and devoting resources on a few priority sectors will be a key strategy forward and maintaining investors' confidence remain our focus. These efforts will be guided by the Agency's investment promotion strategy currently in its development phase.



Joe Ligo  
Chairman  
Board of Directors  
Vanuatu Foreign Investment Agency

## CEO STATEMENT



Mr Raymond William VUTI  
Chief Executive Officer

We set our focus for 2024 on *Retention and Expansion* of existing investors, *targeted facilitation and faster turnaround time in registration support services*. Prevailing global and domestic challenges have caused *new investors to delay their investment plans and existing investors* struggled to maintain their current operations.

According to our 2023 FDI registry, 27 % of existing investors have reported “*Not yet and Partially implementing their investment plans and 1 % indicating to divest*”.

Our focused service delivery in 2024 was to ensure sufficient support is provided to existing investors fully achieve their investment plans and assist those with expansion plans. By leveraging our excellent networking relationship with our strategic partners, we will focus our facilitation role on investment queries we believe will offer needed and maximum impacts. And our registration support services must be seen as becoming responsive, easier and friendlier through [our online registry portal](#) that allows our customers to complete their online registrations at ease while ongoing help desk support are provided to those needing hands-on assistance in using the online portal.

Our focused approach has not been without its challenges; but I am proud of the progress we have made. We have successfully established the *Aftercare and Advocacy Division* to take lead in the post-registration support services, we have completed the upgrade and expansion of our Office, providing a more welcoming and professional environment for clients and staff; our facilitation team was able to facilitate nine real investors, some of which are global brands ([Bankai Group](#)) with the support of one of our key strategic [partners \(PTI\)](#); we have successfully revived our Northern region Office following its closure for some time; and our registration and help desk support services have become more efficient and friendlier that made many of our customers so pleased with the assistance they have been receiving.

While VFIPA prepares to take on the new year, its promotion strategy now in progress will become the main guiding tool in how it will conduct its day-to-day activities to achieve meaningful development impacts. While this will see a shift in our promotional approaches, crucial support mechanisms such as (i) *strengthening networks and relationships with partners* and (ii) *institutional strengthening and collaboration* – are necessary to ensure effective implementation of the strategy.

I am thankful for the support and commitment all staff have provided and the BOD for the direction it has set and dedicated support to the Agency’s daily activities during this challenging time. We will continue to build on this momentum to ensure our strategy is complete and implemented as intended to achieve the outcomes expected.

Raymond W VUTI  
Chief Executive Officer.

## OUR HIGHLIGHTS



### 227 announced FDIs registered.

- Down 5% compared to previous year but surpass the pre-pandemic level – Vanuatu’s strong appeal to potential investors as an ideal location for investment.



### VFIPA’s Online payment reached 85%.

- A shift that aligns with modern doing business practises, resulting in more registration received. VFIPA is optimistic it will achieve 100% online payment in the next 2-3 years.
- Shifting to an online payment solution supports “*Priority 5 – Electronic Payment Solutions*” of the Government E-Commerce Strategy 2022 aimed at enhancing Vanuatu’s ecosystem.



### Achieved 6.5 days average processing time.

- From 15 to 6.5 days average registration time for foreign investment certificate is huge improvement, attributed to our online FDI registry system.
- Faster, cheaper and transparent registration process is one of Government’s priority policy for enhancing its business environment.



### 909 annual filing facilitated.

- 909 established FDIs have been assisted with their annual returns, demonstrating VFIPA’s timely customer support commitment to existing investors.
- Compliance with the target date in accordance with the Section 33 of the FIA No 25 of 2019 remains



### 9,678 direct jobs created.

- 9,678 direct jobs created to the locals by established investments - showing an increase of 6.3% over the previous year of which, 8% were foreign employees.



### Services Sector remains dominant.

- The Services Sector remains the dominant sector in both announced and established FDI projects, comprising of *Tourism, Real Estates, Information Communication and Technology, Wholesale and Retail and Professional and Technical Service Activities.*



### 3 business environment- enhancing projects undertaken.

- **Development of the Joint System Interface** – a policy initiative for faster, cheaper and transparent registration process for foreign investment using digital solutions.
- **Review of the Reserve and Restricted Investment List** – that supports Vanuatu’s openness, fair and friendly doing business environment.
- **Vanuatu arbitration reform** – Development of arbitration legislation for Vanuatu aimed at enhancing Vanuatu’s investment regulatory framework.



### Starting on VFIPA’s investment promotion road map.

- **VFIPA’s investment promotion strategy** – A first-ever promotion strategy to be in place, to be supported by WAIPA (World Association of Investment Promotion Agencies) in partnership with EIF (Enhanced Integrated Framework).
- **A structured 5-year promotion strategy** - aimed at guiding VFIPA as the lead agency in FDI promotion attract and win the type of investments Vanuatu needs.

## ACTIVITIES UNDERTAKEN DURING THE YEAR

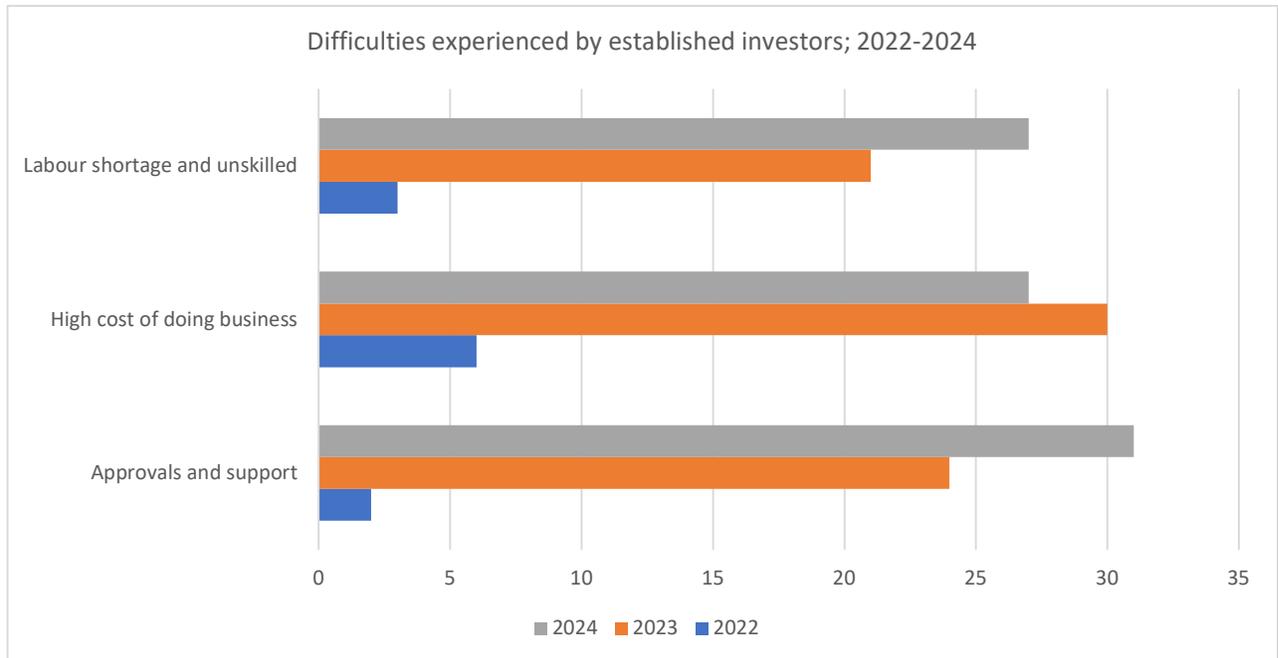
**Aftercare & Advocacy:** VFIPA believes nurturing investor relationships and fostering a welcoming and sustainable investment ecosystem is crucial for Vanuatu given prevailing challenges that are damaging investors confidence. Engaging with our established investors, pursuing cashless payment for registration, progressing the one-stop-shop initiative, and development and review of regulations support Government’s call for enhanced business environment.

In line with our focussed activity of “*retention and expansion*” of existing investments during the year, six (6) visitations have been conducted, 4 in Port Vil and 2 in Luganville, targeting strategic investments - investments that have been in the country for a long time and those in priority sectors with guaranteed economic impacts.

Outcomes from these visitations and engagements, have enabled us to know more about the constraints they are experiencing, their expansion plans (if any) and the type of assistance needed to address the issues raised. While grievances vary depending on the type of investment, the most common ones raised are shown in the chart below – Fig. 1.0.

Advocating for reforms as a response to the investors sentiments requires good understanding and a coordinated approach between other government departments responsible – an activity that VFIPA is actively pursuing as part of its advocacy role.

Fig.1.0



Undertaking activities that directly support Government's priority objectives of enhancing the doing business environment as part of our advocacy role include:



### *Progressing the Joint Interface System (JSI)*

- Starting a business in Vanuatu has been and remains a concern for foreign investors and is contributing to bad ranking of Vanuatu in Ease of Doing Business.

This project aims to reduce the number of steps from seven (7) with fourteen (14) processes into two step registration process.

**Phase 1** of the project has been completed with funding support from PacerPlus while waiting for phase 2 to begin.

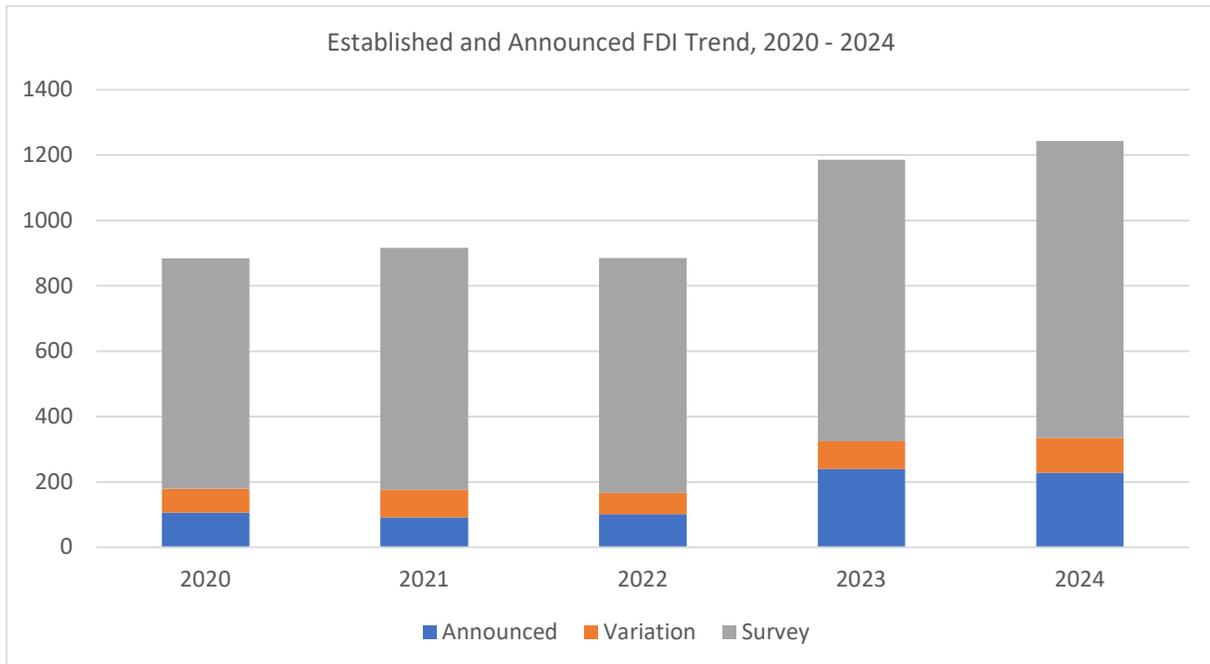


- enhancing Vanuatu's investment regulatory framework.

undertaken with the support from the Asian Development Bank (ADB) Private

A **policy paper** is yet to reach the COM for approval.

**Registration & Monitoring:** VFIPA registered 227 new investments in 2024, including 111 expansions. 16% of all investments, or 191 projects, went to the outer provinces and facilitated the filing of annual returns for 909 established investors.



Source: VFIPA FDI Registry

With the use of our online registration portal and the outstanding support staff have provided to our customers, registration of new investments, Variation and Annual reporting from existing investors was undertaken with ease and in a transparent manner with an average registration time frame of 6.5 working days. This is huge improvement, and our customers have expressed high satisfaction on the level of service provided.

- **New registration:** 227 announced FDIs were registered with proposed investment totalled VT6 billion and over 1,000 job opportunities. Announced FDI projects were dominated by the services sector, comprising of *Accommodation and Food Services Activities (Tourism)*, *Real Estates*, *Information Communication and Technology*, *Wholesale and Retail and Professional and Technical Service Activities*.
- **Variation and Expansion:** It is encouraging to note existing FDIs expanding their operations, as a result of VFIPA's outreach and effective engagement with the investors. Given the ongoing global uncertainty, our focus on those investors who are already on the ground remains a priority. And assisting them to expand operations to the outer provinces other than Port Vila and Shefa supports the Government's decentralisation policy.
- **Established FDIs:** 909 existing investments have been facilitated during the year in filing their annual survey. While many of these investments are fully implemented, some are yet to implement, and partially implemented. Our aftercare services focus on those that needed support to be able to fully implement their investment plans.

- **FDI expansion to outer provinces remain strong:** 191 FDI investments or 16% of total investments were located outside of Port Vila and Shefa, showing an increase of 9% compared to the previous year and 105% over the pre-covid 19 level.

This trend is supporting current Government’s priority policies of expanding developments to the outer provinces with key policies including – *Economic Corridor, Economic Hubs and development of Mini townships.*

Undertaking activities that directly support Government’s priority objectives of enhancing the doing business environment as part of our Registration & Monitoring role include:



✔ ***Progressing cashless payment for foreign investment registration.***

In addition to improving on the timeframe of foreign investment certificate registration, VFIPA continued to pursue its objective of achieving 100% cashless payment from its customers.

To date, we have achieved 85% of our target journey and we are likely to achieve this in the next 2-3 years.

Faster registration process through the use of online platforms are critical indicators that measure to what extent Vanuatu is exploiting digital solutions.



✔ ***Review of the Reserved & Restricted List –***

Undertaken for the first time since the gazettal of the FIA N0 25 of 2019, aimed at supporting Vanuatu’s openness to inward foreign direct investment (FDI).

This project funded by PacerPlus is one of the Agency’s ongoing priority activities planned to be completed during the 3rd quarter of 2025, conducted by a technical assistant with local counterpart provided by the Agency.

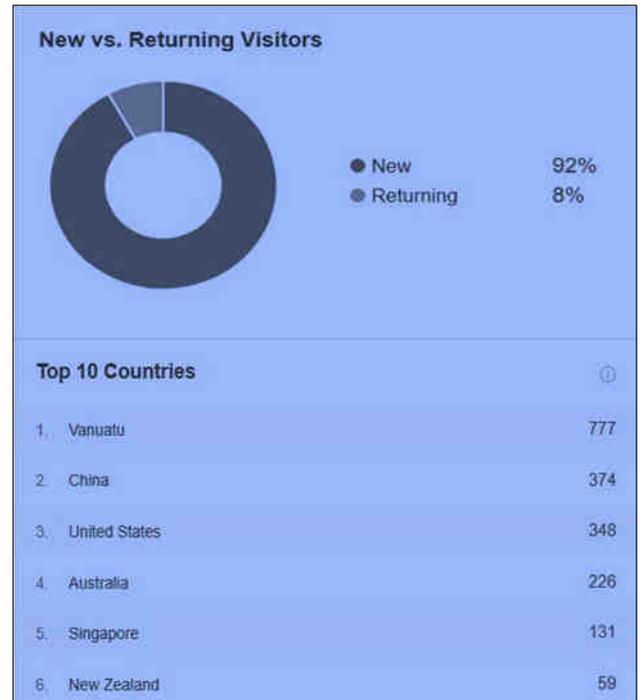
**Facilitation & Promotion:** Despite ongoing global and domestic challenges, views from foreign investors about Vanuatu as an ideal investment location remained strong; total investor inquiries reached 100, with 2 inquiries reaching real investment stage, linking 3 inquiries with local business owners including enhanced strategic partner relationship.

Through regular monitoring of our website traffic statistics, we can tailor our facilitation and marketing services to suit the type of FDI market we wish to focus on. We can confirm there are more *new investors* visiting our website looking for information than the returning ones and whether we have new emerging source markets.

In 2024, we have received a total of 176 inquiries – all via email. Upon selection and prioritization, 6 of them have been established as our main leads with which we ensure ongoing engagement and communication.

Ongoing facilitation task with existing leads have resulted in 2 investment leads reaching actual investment stage and connecting 3 inquiries with local business owners. Ensuring these linkages are successful remain our objective as part of our facilitation role.

The need for enhanced collaboration between FDI facilitating institutions is becoming more important given the prevailing challenges that continue to damage investors confidence. This is an activity that VFIPA is promoting and will be an ongoing activity that supports its facilitating role.



Our efforts in winning and ongoing facilitation of global brands whose commercial presence are already warrants a mention:



### BANKAI GROUP

- A global leading fintech and telecommunications solution provider for banks, financial institutions, telecom operators and carriers helping them create a comprehensive financial ecosystem with security and innovation in its core.
- Is currently engaging with a few businesses to offer digital solutions to their current operations.



## TOSHIBA – DEP

- Following six years of consistent and dedicated facilitation services, this investment lead is now becoming a real investment.
- This is a classic example of an SDG investment and for this reason, VFIPA is doing all it can to support this project.

**Enhancing And Strengthening Our Internal Systems:** VFIPA believes its staff are the cornerstone for pursuing and achieving its long-term goals, therefore recognising and supporting them to have the right skills needed remain our focus including leveraging IT capabilities to enhance our workflows and development of management and strategic tools.

### 1. **Development of VFIPA’s Investment Promotion Strategy:**

A timely and most needed tool that will guide VFIPA in its promotional role for the first time since its establishment. Supported by WAIPA and EIF through technical support, a 2- week consultation was undertaken beginning in March 2024 with Mr. Alick Joe Robsen, manager of Investment Promotion as local counterpart.

A wide range of key stakeholders have been consulted including statutory bodies, government departments, selected private sector representatives, donor partner representatives and non-government organisations.

Post consultation, VFIPA and the consultant continue to engage via virtual discussions on the development of the draft strategy for launching in 2025.

Total cost for this project was shared between VFIPA and WAIPA/EIF. This assistance was made possible because of VFIPA’s network of strategic partners.

### 2. **Training and Development**

Participation of staff in key industry meetings and professional capacity building programs that allowed staff to engage with leading experts and network with professionals from other organizations, gaining valuable insights into best practices and emerging trends in the industry aimed at improving the Agency’s strategies and operations remain our core focus.

In 2024:

- 2 staff have participated in IPA tailored capacity building programs conducted by the WAIPA (World Association of Investment Promotion Agencies) meetings.
- 3 staff also attended the Quality Management System (QMS), a 5-day workshop with HSEQ Vanuatu designed to

equip professionals with a thorough understanding and practical skills in implementing and managing Quality Management Systems.

- 3. Office repair and expansion:**

Modernising the look and feel of VFIPA as the gateway to foreign investors and to create a more welcoming and professional environment for clients and staff are the key drivers for this project including a recommendation for institutional reform to include export promotion into the Agency’s current setup.

This project was funded by the Agency’s budget at a total cost of VT12 million Vatu.
- 4. Shifting to a digital HR management system:**

This is another example of VFIPA’s commitment to making use of digital capabilities to improve its internal daily operations, archiving and retrieval of HR and related information. This new HRMS will see effective management and performance of its employee.
- 5. Recruitments:**

3 recruitments (2 permanent and contract) have been made; (i) *Manager – Aftercare and Advocacy* and (ii) *Senior Investment Officer*.

These positions are necessary to support promotional activities currently by 2 staff, mostly focussed in the shefa province and *Office Assistant* to support day-to-day operations, and ensuring the office is well-organised and clean.
- 6. Reviving our regional office:**

Sanma province has been and remains Vanuatu’s economic powerhouse demonstrated by increasing number of foreign investors choosing Santo their investment location.

The recruitment for the position of Senior Investment Officer is to be based in our northern region office and to revive its operations following a 1-year closure.
- 7. Introduction of New Corporate Uniform**

The corporate uniform came in response to staff feedback and as part of ongoing efforts to enhance the corporate culture of the Agency. The new uniform system was designed to accommodate a four-day wear cycle, promoting both comfort and professional appearance for staff. The introduction of this new uniform system aligns with the company’s objectives to maintain a polished image while ensuring staff satisfaction and ease.

## CHALLENGES AND OUTLOOK

Performing against ongoing global and domestic challenges will remain a difficult journey for VFIPA. Investment plans will be delayed or even cancelled as investors will not have confidence to invest anymore in Vanuatu. However, what is certain from current FDI trends is *Vanuatu remains appealing to potential and existing investors*.

Targeted and well-planned reforms are needed to address some of the common investors' grievances such as *shortage of skilled local labour, high cost of doing business, government processes remaining lengthy, domestic air connectivity, and prevailing global uncertainty*. Successfully addressing some of these issues should enable both existing and potential investors implement their investment plans to the fullest and create meaningful impacts for Vanuatu.

- Interest from potential investors to invest in Vanuatu remains strong against challenging external and domestic environment and increased competition. The need to focus on a few priority sectors that will make impactful outcomes will be a focus for VFIPA over the medium to long term.
- Inward FDIs continue to embrace the services sector, particularly Tourism and related activities, sustainability, digitalisation and renewable energy, and Vanuatu can be part of these transformational initiatives through focussed and targeted reforms. This underscores the importance of diversification across non-tourism and related sectors to enable continued industry and economic impact – an experience encountered during the covid-19 pandemic.
- Increasing number of registered FDIs have reported finding it difficult to fully implement their investment plans because of regulatory barriers and other deterrent factors. The need for stronger and effective collaboration between FDI facilitating agencies can be best the approach to address this setback, which VFIPA will continue to promote as part of its advocacy role.
- “VFIPA’s focus, to be guided by its new strategy remains on attracting and winning the right type of investment for Vanuatu, building partnerships with client investors and supporting them implement and expand their investment proposals. A coordinated approach between relevant key stakeholders is key to achieving the outcomes expected from the strategy.

VFIPA has reported strong annual results for 2024 compared to pre-pandemic level showing an increased number of investments, steady levels of employment across the FDI sector, increased investment to the outer provinces and strong performance in the services sector with emerging trend in information, communication and technology and renewable energy.

The Agency will continue to build on what it has achieved to date, supported by its strategic partners and stakeholders and guided by its IPS 2026 – 2030, we will ensure our day-to-day activities are optimized to achieve the needed economic development impacts that supports the Government’s long-term goals.

## STATISTICS AND TREND

Tab 1.0 Foreign Investment Registration by Certificate Type; 2020-2024

Certificate Type	2020	2021	2022	2023	2024
New	106	92	101	239	227
Variation	73	84	65	85	107
Survey	704	740	718	861	909

Tab 2.0 Actual local employment by Province; 2020 - 2024

Province	2020	2021	2022	2023	2024
Malampa	63	94	72	51	77
Penama	0	0	0	1	1
Sanma	748	842	1236	1550	1848
Shefa	5131	4511	6393	7452	7705
Tafea	0	0	35	50	52
Torba	0	0	0	0	0

Tab 3.0 Actual local employment by Industry; 2020 - 2024

Industry	2020	2021	2022	2023	2024
Accommodation and Food Service Activities (Tourism)	796	525	1266	1794	1577
Administration and Support Service Activities	13	16	38	51	38
Agriculture, Forestry & Fishing	198	178	262	169	103
Arts, Entertainment & Recreation	104	74	125	147	116
Construction	473	682	513	859	1180
Designated Citizenship Agents	0	0	0	0	0
Education	86	141	164	202	219
Financial and Insurance Activities	581	267	488	521	530
Human Health and Social Activities	43	41	26	54	59
Information & Communication	209	196	369	439	428
Manufacturing	532	606	768	812	854
Mining & Quarrying	22	65	30	35	22
Other Service Activities	417	410	573	539	513
Professional, Scientific and Technical Activities	245	230	349	487	463
Real Estate Activities	2	0	40	42	42
Transportation & Storage	161	96	104	121	123
Utilities	79	80	211	241	258
Wholesale & Retail Trade	1981	1840	2410	2591	3158

Tab 4.0 Actual value of investments reported by industry; 2020 - 2024 (VT'000,000)					
Industry	2020	2021	2022	2023	2024
Accommodation and Food Service Activities (Tourism)	12,908	91,664	15,720	10,771	11,011
Administration and Support Service Activities	511	274	92	187	370
Agriculture, Forestry & Fishing	1,989	1,655	1,046	5,139	929
Arts, Entertainment & Recreation	313	1,136	289	362	409
Construction	1,861	2,211	1,363	1,355	2,868
Education	190	305	227	331	140
Financial and Insurance Activities	4,440	3,436	4,667	31,904	36,142
Human Health and Social Activities	212	1,071	221	422	189
Information & Communication	1,153	404	3,437	3,725	3,386
Manufacturing	5,806	2,919	6,575	3,266	6,692
Mining & Quarrying	299	196	325	159	211
Other Service Activities	5,808	5,728	6,605	5,432	5,070
Professional, Scientific and Technical Activities	3,577	3,606	3,952	3,813	3,098
Real Estate Activities	15	40	449	2,108	69
Transportation & Storage	1,540	751	512	739	2,811
Utilities	524	768	552	1,001	1,059
Wholesale & Retail Trade	18,091	17,023	18,997	20,851	45,198

Tab 5.0 Actual value of investment reported by industry and province; 2020 - 2024 (VT'000,000)					
Province	2020	2021	2022	2023	2024
Malampa	204	423	531	502	19
Penama	2	29	38	39	45
Sanma	7,827	87,577	8,855	7,679	11,463
Shefa	51,203	44,828	55,479	83,281	107,990
Tafea	0	29	128	67	132
Torba	0	300	0	0	0

Tab.6.0 Number of Joint Ventures; 2020 - 2024		
Year	Joint Ventures	Total Projects
2020	71	740
2021	72	719
2022	87	861
2023	98	909
2024	114	985

Tab 7.0 Actual number of businesses by Industry; 2020 - 2024

Industry	2020	2021	2022	2023	2024
Accommodation and Food Service Activities (Tourism)	94	92	112	134	159
Administration and Support Service Activities	11	9	11	11	12
Agriculture, Forestry & Fishing	25	20	24	21	17
Arts, Entertainment & Recreation	24	26	26	25	28
Construction	43	40	50	67	85
Designated Citizenship Agents	0	0	0	0	0
Education	10	10	14	14	13
Financial and Insurance Activities	14	12	19	24	25
Human Health and Social Activities	19	21	25	27	25
Information & Communication	12	13	36	47	44
Manufacturing	56	60	67	58	57
Mining & Quarrying	5	5	5	4	3
Other Service Activities	84	76	84	77	76
Professional, Scientific and Technical Activities	121	122	140	138	153
Real Estate Activities	5	4	7	9	10
Transportation & Storage	15	12	12	15	19
Utilities	3	4	3	3	4
Wholesale & Retail Trade	199	193	226	235	255

Tab 8.0 Actual number of businesses by province; 2022 - 2024

Province	2020	2021	2022	2023	2024
Malampa	6	4	6	3	3
Penama	1	1	1	1	1
Sanma	89	92	127	142	155
Shefa	643	620	725	761	821
Tafea	1	1	2	2	5
Torba	0	1	0	0	0

# AUDITED FINANCIAL STATEMENT

## VANUATU FOREIGN INVESTMENT PROMOTION AGENCY

### STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

*Expressed in Vatu*

	Note	2024	2023
<b>Current asset</b>			
Cash at bank	9(a)	103,611,399	76,554,274
Receivables	5	-	-
Other assets	4	150,390	2,166,677
<b>Total current asset</b>		<u>103,761,789</u>	<u>78,720,951</u>
<b>Non-current assets</b>			
Property, plant and equipment	6	24,632,265	18,162,374
<b>Total non-current assets</b>		<u>24,632,265</u>	<u>18,162,374</u>
<b>Total assets</b>		<u>128,394,054</u>	<u>96,883,325</u>
<b>Current liabilities</b>			
Payables and accruals	7	1,491,570	1,206,886
Provision for employee entitlements	8	28,838,636	20,664,725
<b>Total current liabilities</b>		<u>30,330,206</u>	<u>21,871,611</u>
<b>Total liabilities</b>		<u>30,330,206</u>	<u>21,871,611</u>
<b>Net assets</b>		<u>98,063,848</u>	<u>75,011,714</u>
<b>Total accumulated surplus</b>		<u>98,063,848</u>	<u>75,011,714</u>

*The accompanying notes are an integral part of these financial statements.*



CEO

Port Vila, 30<sup>th</sup> June 2025



CHARTERED ACCOUNTANTS AND BUSINESS ADVISERS

**Disclaimer**

The additional financial data presented on the following page is in accordance with the books and records of the entity which have been subject to the auditing procedures applied in our statutory audit of the entity for the year ended 31 December 2024. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

In accordance with our firm's policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than Vanuatu Foreign Investment Promotion Agency) in respect of such data, including any errors or omissions therein, arising through negligence or otherwise however caused.

*Law Partners*  
LAW PARTNERS

Chartered Accountants

Port Vila

June 2025

VANUATU FOREIGN INVESTMENT PROMOTION AGENCY

INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2024

Expressed in Vatu

	2024	2023
<b>Operating revenue</b>		
Government grant	49,115,761	45,022,797
Application fee – renewal	46,242,469	46,192,535
Other fees	741,898	-
Gain on disposal of fixed asset	47,700	184
Severance recovery	-	158,000
Miscellaneous income	(82,300)	771,124
<b>Total revenue</b>	<b>96,065,528</b>	<b>92,145,440</b>
<b>Operating expenses</b>		
Accommodation hire	948,385	552,326
Accounting & Audit fees	408,250	345,000
Acting allowances	175,174	2,102,358
Advertising, promoting and facilitating	481,025	1,021,160
Annual and sick leave	3,652,120	3,396,544
Bank charges	399,369	209,492
Board Allowances	401,000	682,000
Cleaning	259,290	296,620
Computer Maintenance	1,026,934	1,034,679
Contribution expense	60,000	-
Daily subsistence allowances	545,000	700,000
Depreciation	3,887,216	5,454,438
Electricity	1,158,632	1,327,520
Entertainment – lunch and refreshments	650,240	532,437
Family allowances	510,600	597,080
Freight	5,810	-
Fuel	436,857	353,524
Hire plants	145,800	-
Hire vehicle	225,000	-
Home island passage	33,707	464,000
Housing and Maintenance	2,235,686	1,023,763
Housing allowances	6,230,607	4,416,067
Insurance	121,450	115,667
Internet subscription	-	20,454
Legal fees	34,500	161,000
Licenses & taxes	25,245	-
Medical expenses	1,049,483	4,476,211
Membership Fee	40,000	-
Miscellaneous expense	(119,264)	141,435
Office expenses	665,629	685,166
Office rental	621,000	703,225

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INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2024

Expressed in Vatu

	2024	2023
<b>Operating expenses (continued)</b>		
Postage	6,900	8,850
Printing	246,881	282,807
Provident Fund (VMPF)	1,128,693	962,856
Repairs and maintenance	1,951,337	512,850
Recruitment Expense	65,435	365,489
Relocation allowances	80,000	-
Responsibility allowances	(46.2)	290,096
Building Material	365,649	350,095
Salaries and wages	27,910,454	24,042,487
Severance and staff payouts	8,173,911	16,627,459
Sponsorship	-	350,000
Staff Bonus	700,000	-
Staff payout 3 months recovery	(156,000)	-
Staff training and uniforms	870,617	1,210,660
Stationery	142,389	124,355
Telephone	2,970,160	2,196,013
Transport	69,212	4,000
Travel expenses	880,072	1,026,709
Water	289,837	225,600
<b>Total expenses</b>	<b><u>73,013,394</u></b>	<b><u>79,432,702</u></b>
<b>Net surplus</b>	<b><u>23,082,134</u></b>	<b><u>12,712,738</u></b>

# GOVERNANCE STATEMENT

The Vanuatu Foreign Investment Promotion Agency (VFIPA) is an autonomous Statutory Agency established and guided by the Foreign Investment Promotion Act N0 25 of 2019. The Agency operates in accordance with the provisions of the Act and under the portfolio of the Ministry of Trade and Commerce (MTC), who is empowered to make appointments of the VFIPA board of directors, introduce new legislations and make changes to regulations necessary to enable the Agency carry out its functions.

While the primary source of corporate governance for VFIPA is the FIA N0 25 of 2019, the Agency is also required to comply with a range of other statutory and administrative requirements. For example, the MFEM Act that requires all statutory institutions to produce and submit annual financial reports about the use of the grant money received from the Government. To date, VFIPA confirms it has met its statutory obligations.

The Agency ensures transparency and consistency in its oversight on certain categories of investment activities (Prohibited, Reserved and Restricted), attached as schedules to its Act by regularly consulting with sectors responsible whether there is a need for amendment in accordance with the provisions of the FIA N0 25 of 2019.

## Board 2024.

In accordance with Section 4 of the FIA N0 25 of 2019, the VIB Board consists of 3 representatives from the Private Sectors and 4 representatives from the Government. In 2020, the total number of VIB members increased to eleven (11) following an amendment to the Act by adding 3 Government department representatives and 1 representative from the Ministry.

This amendment is deemed necessary to enhance the facilitation of FDI entry in response to the increasing complaints from foreign investors. This amendment is made in accordance with Section 8 (12) - **Meetings of the Board**.

VIB normally conducts its meetings in compliance with section 8 of the Act – The Board is to meet at least 4 times in a year and may hold such other meetings as are necessary for the proper performance of its functions.

It is responsible for setting the broad policies of the Agency and for overseeing its operation. Responsibility for the implementation of policies rest with the executive management.

## Meetings and Attendance

During the year, the VIB conducted 3 meetings with details and key outcomes as summarized below. The delay in Office renovation (was completed in March 2024) and Earthquake on 17 December 2024 were the reasons for not conducting 4 meetings as expected.

VIB meetings conducted and attendance						
	VIB Representation	Designation	None	19/6/24	19/09/24	21/11/24
1	DG, MTC	Chairman		✓	✓	✓
2	Rep. VFCA	Deputy Chair		✓	✓	✓
3	Rep. VCCI	Member		Ap	✓	✓
4	Rep. VHRA	Member			✓	✓
5	Rep. DG MALLFB	Member		X	X	X
6	Dir DSSPC	Member		✓	X	X
7	Dir DLA	Member		X	✓	X
8	Commissioner of Labour	Member		✓	✓	✓
9	Dir. DCIR	Member		✓	Ap	✓
10	Dir. Immigration	Member		X	X	X
11	Rep. Ministry	Member		✓	X	X

## Summary of Key Meeting Outcomes

In its meetings, the Vanuatu Investment Board (VIB) discussed investment matters in accordance with section 9 (*The functions of the Board*) of the Act. Key policy related activities the VIB has deliberated on and resolved for action included but not limited to the following:

- *Election of the Deputy Chairperson* – Mr. Olivier Webber, representative of the Vanuatu Finance Center Association was elected as Vice Chairman of the VFIPA Board of directors. This replacement is made in accordance with Section 6 (1) of the FIA N0 25 of 2019.
- *Progressing the Joint System Interface or One-Stop-Shop initiative*: Strong support from the Board to this business environment-enhancing initiative that supports the Government’s recovery effort. The VFIPA, as lead agency for this project, needs to work together with other departments involved to ensure the project is completed.
- *Supported the 2 months’ severance for VFIPA in line with PSC’s regulation*: Following the Government’s announcement on a 2 month’s severance for public servants, a request to the Board to consider VFIPA staff request for a 2 months’ severance was accepted to be supported by a submission paper.
- *Call for bigger investments*: The need for bigger investments guaranteed to deliver positive impacts is becoming more evident and the development and implementation of the investment promotion strategy is timely and called for stronger collaboration when implementing the strategy.
- *Conduct a study of the Ease and cost of Doing Business in Vanuatu*: This is a recommendation from the NTDC following VFIPA’s presentation on the “cost of doing business in Vanuatu”. The Board strongly supports this activity if there are funds available to support the undertaking of the study.