

Building Urban Economic Resilience
during and after COVID-19

Asia and the Pacific Region

Case Study: Suva, Fiji

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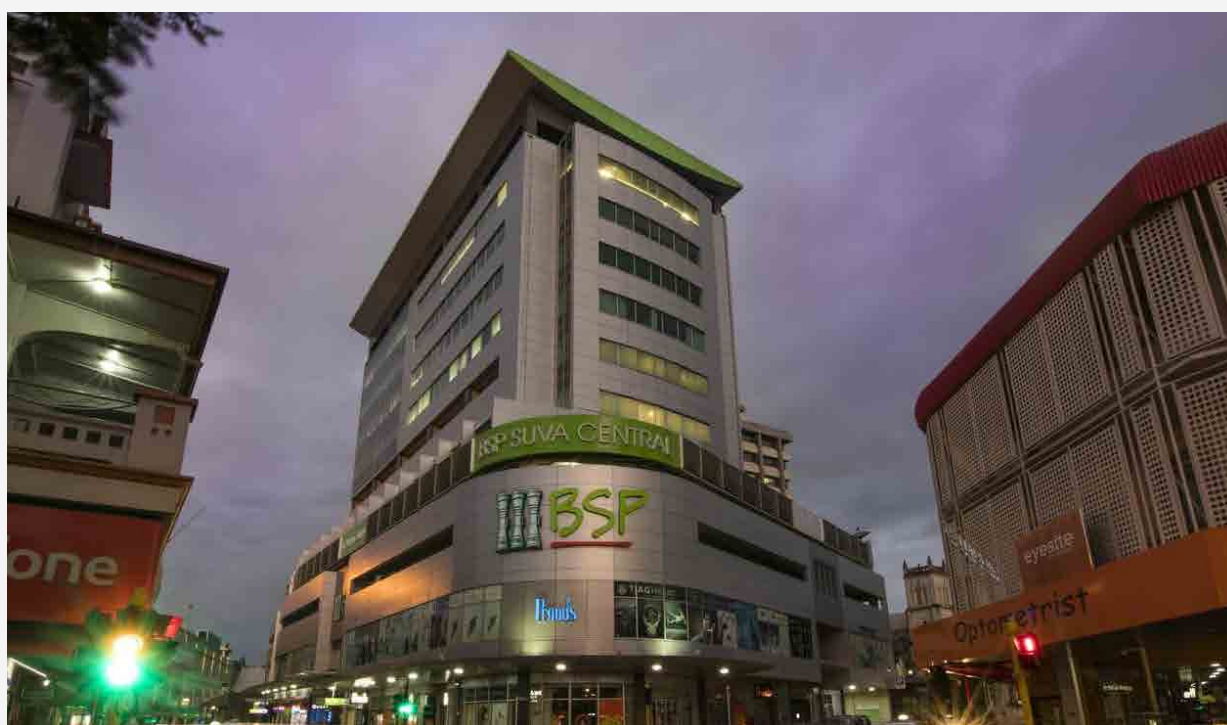
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Status	Primary, Capital
Area	2,048 km ²
Number of inhabitants	93,970 (2017)

Pre-existing Challenges

Suva seasonally faces minor cyclones, which often damages key infrastructure such as water, electricity, and bridges, all of which affect the movement of people and business operations. The safety and security of women are a particular concern, especially at evacuation centres during the cyclone season. Furthermore, urban migration from people seeking better opportunities in the capital places pressure on housing and other public services of the city.



Source: Suva City Council.

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As of November 2020

Brief description of COVID-19 in the city

First reported case	9 March 2020
Confirmed	34
Recovered	31
Deaths	2

✓ Data from 6 November 2020

In February, the government of Fiji toughened border security and implemented travel bans to major countries. Cruise ships were also banned from berthing anywhere in Fiji, and international events were prohibited. By midnight of 20 March, all schools and non-essential businesses in Lautoka, where the first cases were found, were closed; however, banks, supermarkets, pharmacies, and essential businesses remained open. Fiji Airways suspended all international flights, and all shipping services were ceased after confirmation of the 5th case in Lautoka. The government established 8 fever clinics around the country.

On 27 March, the Prime Minister announced a nationwide curfew from 10 pm to 5 pm that would take effect on 30 March. On 2 April, Fiji confirmed 2 cases from Suva, which prompted Suva to go into a lockdown effective 3 April. The government also renewed the national curfew hours that began at 8 pm and ended at 5 am. Schools were to remain closed until 15 June. The extension of the quarantine period was raised to 28 days both for anyone who was newly quarantined and to those who were currently awaiting their initial 14-day period. By 5 June, all the affected people with COVID-19 had recovered.

On 21 June, Fiji announced new nationwide curfew hours from 11.00 pm to 4.00 am, which came into effect on 22 June. Social gathering, including weddings, funerals, cafes, restaurants, and worship, were increased from 20 to 100 people. Gyms, fitness centres, cinemas, and swimming pools were reopened on 22 June; however, nightclubs remained closed. Schools were reopened for year 12 and 13 students on June 30, and universities also reopened for face-to-face classes. As of 6 November 2020, Suva has reported 34 confirmed cases, with 31 recoveries and 2 deaths.

Main economic and financial impacts

Due to COVID-19 pandemic, the Reserve Bank of Fiji forecasted that the domestic economy would fall into a recession after almost a decade of economic growth.



Labour Market

The International Labour organization estimated that 115,000 Fijian workers have been affected by the COVID-19 pandemic. Unemployment was reported in travel industry, retail shops, factories, and resorts. The construction industry also saw a downturn since raw materials were running out.



Business Environment

Most businesses were affected by the pandemic and had closed down their shops. Major closure was in the western division, which highly depends on tourism. Closed businesses include retail shops, resorts, and clubs. Procurement for other businesses was a challenge as most shops were closed and stocks were not in hand, which affected the performance of companies.



Financial Environment

Due to businesses closing down, people were out of jobs, which in return affected their financial wellbeing. People were now opting for other means of earning money, and loans have been deferred by financial institutions. Fiji National Provident Fund (FNPF) reduced its company and employee contribution.



Economic Governance

The Reserve bank of Fiji reduced its overnight policy rate to 0.25 % from 0.50 %. Local authorities allowed municipalities to use their budgetary surpluses specifically with COVID-19.

Crisis Response and Recovery Measures

While the Suva City Council (SCC) has not set its focus on establishing a crisis management plan specific for COVID-19 pandemic, they have a general understanding of how to respond to disasters such as a cyclones and tsunamis, among others.

During the crisis, Suva used digital tools to ensure confinement and social distancing, while also enabling the continuity of certain services and economic activity virtually. Suva also saw improvement in public transport safety, accessibility, social distancing measures, and public healthcare information. At the Suva main public transport station, safety kits such as hand sanitizers were provided, and law enforcement agencies were mobilized to ensure that members of the public comply with the precautionary measures put in place by the Ministry of Health.

The SCC has been collaborating with a range of actors, including the central and regional governments, urban stakeholders, and citizens in order to implement short-term and long-term responses to multiple dimensions of COVID-19 crisis. Dialogue with the local government was crucial for Suva to effectively respond to the emergencies in the early stages of the pandemic. SCC ensured the provision of essential services to the Suva residents, and was allowed to use its budgetary surpluses specifically to address COVID-19.

There was also government support provided to SMEs. Policy adjustments, such as the suspension of seasonal ban on the harvest sale and consumption of coral trout and grouper, had been also implemented to fight economic hardship during the COVID-19 pandemic. The government has relaxed some regulations on starting a business to encourage locals to open up businesses that could sustain them during the pandemic. At the local level, the Council has given a concession monthly rate to handicraft operators that normally depend on tourism as their major source of income.

Contribution of different sectors in the management (e.g. planning, reallocation, and mobilisation) of relevant resources during the COVID-19 crisis

	Local government more important	Central government more important	Private stakeholders more important	All partners contribute equally
Labour markets	-	✓	-	-
Business environment	-	✓	-	-
Financial environment	-	✓	-	-
Economic governance arrangements	-	✓	-	-
Institutional responsiveness*	-	✓	-	-

* Local government business continuity, adequate fiscal space, and uninterrupted delivery of key public services

Most responses are directly from the central government, as SCC itself is affected by COVID-19 due to revenue loss, and thus unable to put up initiatives to support recovery measures at this stage. However, moving forward, they are looking forward to partnering with private sectors for recovery.

SCC realises that policies to rebuild both in the short- and long-term entail strengthening health services, and putting in place very targeted stimulus measures to help reignite growth. This includes efforts to maintain the private sector and to get money directly to people so that there would be a quicker return to business creation after this pandemic has passed. Countries would need to wind down public support and target broader development challenges.

Expanding the use of digital technology



Suva used digital technologies to enable the continuity of certain services and economic activity virtually even during the lockdown period, as well as to support social distancing measures. New apps were introduced for online purchase and payment. Restaurant operators were also encouraged to provide mobile service where they can do home delivery to customers. Communication providers such as Vodafone and Digicel were quick to provide cheap communication and internet package deals to expand connectivity.

Central government financial support



To support those affected by the crisis, the Fiji National Provident Fund (FNPF) lowered its company contribution and employee contribution. In addition, the government granted waivers, allowances, and reduction in tax administration, income tax, VAT, customs act, and stamp duty. Furthermore, the government agreed to pay 21 days COVID-19 leave to low-income Fijians who have tested positive for coronavirus, and to reimburse salaries to employers who cannot pay their employees (applied to workers earning less than \$30,000 per annum).

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