

**Press Release: 10/2022 : FNPF Lending Policy**

We welcome the response by the CEO of FNPF trying to justify the Fiji Airways deal. It has been a very long-standing policy within FNPF not to put all the eggs in one basket. There were limits to safeguard investments in various sectors to reduce risk or over exposure. Currently, FNPF investments into the tourism industry is enormous and it will be interesting to see what percentage of investments are in the tourism industry. FNPF hotels have not been functioning over most of the last 2 years during the pandemic and it's no secret. Fiji Airways almost went under had Government not intervened and FNPF loaned 53 million dollars recently apart from FDB loans. Now there is a temporary boom in travelling which really is the backlog from the pandemic lockdown. It is not a permanent trend, and we would be foolish to think that this is going to be the future of air travel.

I am impressed to be told by the CEO of FNPF that members gained \$92 million from interest to Fiji Airways. Now if this is what Fiji Airways has paid FNPF, the question that begs is how much loan did FNPF give to Fiji Airways to earn such an impressive return. We are only aware of the 53million in recent loans.

We acknowledge that FNPF has paid interest to members above the market rates. FNPF is in a unique position of sitting and collecting contributions from members on a monthly basis unlike any other institutions or banks. It is a workers' superannuation fund and workers need to know what is going on. We disagree with the CEO when he claims that Board members are representative of workers. They are not. They are representatives of Government who appointed them and they are answerable to the appointing authority, **not** the workers.

While it is true that FNPF does not publicly consult on investments, the members of the Fund have a right to know when such substantial funds are put into a risky business. Unfortunately, there are no worker representatives on the Board and

therefore there is no feedback. It is impressive to throw around names of consultants and banks justifying due diligence however, this does in no way decrease the risk of the airline business.

We note the absence of any word from the Board of FNPF who are tasked with making the final decision on this issue. Instead, the CEO is made to justify the actions of the Board. We are not concerned about the history of FNPF and how well it has done but rather the future with decisions such as this one. We have no illusion that Government has a strong say in such decisions which may not be in the best interest of workers but rather to prop up the airline. Fiji Airways has earned itself a reputation of being anti workers' rights and deplorable industrial relations while sponging on Workers Funds to survive.

Felix Anthony  
**National Secretary**

*All correspondence to be addressed to the National Secretary*

**Phone : (679) 3315377, 3315402.  
Road,  
Email : [ftucns@ftuc.org.fj](mailto:ftucns@ftuc.org.fj)  
Fiji**

**32 Des Vouex  
P.O. Box 1418, Suva,**

*An Affiliate of: International Trade Union Confederation / International Trade Union Confederation Asia Pacific*