



26 OCTOBRE 1998

NO. 28

26 OCTOBER 1998

SONT PUBLIES LES TEXTES SUIVANTS

NOTIFICATION OF PUBLICATION

ORDERS

THE VANUATU COMMODITIES MARKETING BOARD
(DEREGULATION OF GINGER AS A PRESCRIBED
COMMODITY) ORDER NO. 25 OF 1998.

PUBLIC FINANCE AND ECONOMIC MANAGEMENT
ACT 1998 -

- ◆ FINANCIAL AND ECONOMIC POLICY STATEMENT
AND BUDGET POLICY STATEMENT

SOMMAIRE

PAGE

NOMINATION	6-8
FIN DE MANDAT	9
NOMINATION	10

CONTENTS

PAGE

REMOVAL OF MEMBERS OF LAND TRUST BOARD	1
APPOINTMENT OF MEMBERS OF LAND TRUST BOARD	2-4

LEGAL NOTICE -

- ◆ COMPANIES ACT [CAP. 191] 5

18 NOV. 1998



REPUBLIC OF VANUATU

THE VANUATU COMMODITIES MARKETING BOARD ACT [CAP. 133]

**THE VANUATU COMMODITIES MARKETING BOARD
(DEREGULATION OF GINGER AS A PRESCRIBED COMMODITY)
ORDER NO. 25 OF 1998**

AN ORDER to deregulate Ginger from being a prescribed Commodity.

IN EXERCISE of the powers conferred upon me by section 3 of the Vanuatu Commodities Marketing Board Act [CAP. 133] and in conjunction with section 20 of the Interpretation Act [CAP. 132] I, **JAMES BULE**, Minister of Trade, Tourism and Business Development, after consultation with the Vanuatu Commodities Marketing Board, hereby make the following orders:

DEREGULATION OF GINGER

1. Ginger plant is hereby deregulated from being a prescribed commodity

REPEAL

2. The Vanuatu Commodities Marketing Board (prescribed Commodity) (Ginger) order No. 40 of 1997 is hereby repealed.

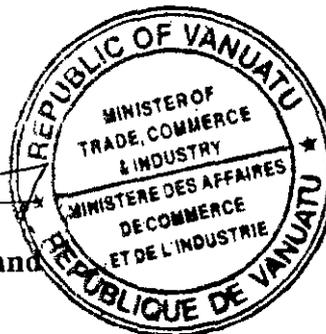
COMMENCEMENT

3. This order shall come into force on the date of its publication in the Gazette.

MADE at Port Vila this 19th day of October, 1998



Hon. James Bule
Minister of Trade, Tourism and
Business Development



Financial and Economic Policy Statement and Budget Policy Statement

The following Statements of Financial and Economic Policy and Budget Policy are made in terms of the requirements of Sections 10 and 11 of the Public Finance and Economic Management Act 1998.

The Financial and Economic Policy Statement is made in terms of the requirements of Section 10 of the Public Finance and Economic Management Act 1998.

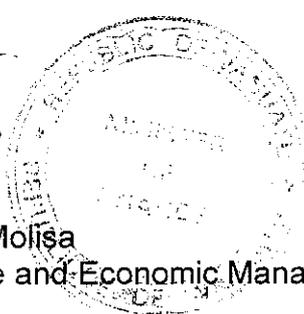
The statement is an update of the Statement that was laid before Parliament in June as part of the Supplement to the 1998 Budget.

No significant changes have been made in Government's approach to financial and economic policy nor in the Government's strategic priorities.

The Budget Policy Statement is made in terms of the requirements of Section 11 of the Public Finance and Economic Management Act 1998.

The previous Budget Policy Statement was part of the Supplement to the 1998 Budget. The format of this Statement has changed but the underlying thrust of policy remains unchanged.

I can confirm that the objectives, priorities and intentions laid down in the Budget Policy Statement are consistent with the principles of responsible fiscal management specified in the Public Finance and Economic Management Act 1998.



Honourable Sela Molisa
Minister of Finance and Economic Management
October 1998

Financial And Economic Policy Statement

Strategies and Vision

The Comprehensive Reform Programme (CRP) endorsed by the National Summit in June 1997 outlined a vision and a set of strategies for the economic and social development of Vanuatu.

These strategies involve the achievement of:

- **Stable Government**
- **Private Sector Development**
- **Social Equity and sustainability**

The vision underpinning the reforms is of a fast, but sustainably growing, economy where the rewards of growth are widely spread to ensure equity. The CRP recognises that it is the private sector that must take the lead in achieving higher growth. Sustainable growth can only be based on a dynamic private sector operating in increasingly competitive market conditions. Sustainable growth also means ensuring that all sections of the community have access to income earning opportunities. Providing ni-Vanuatu with the means to go into business is a critical strategy of the reform effort. Better education, training, health and business advice are all key components of this strategy.

Government's role is to provide the stable conditions necessary for private sector investment. This means Government getting out of business and it means an efficient public service based on transparent rules and regulations. Predictable policies and a stable macro-economic environment are the first steps in providing the right conditions for private sector investment.

The scope of the CRP is wide and it will take several years to fully implement all the policies. The Government is therefore committed to ensuring that policies are maintained consistently over time. Governments that keep changing their objectives usually attain none of them. This Government will persevere with reform policies for as long as it takes to achieve its reform objectives.

Government's commitment is based on the achievement of the CRP Vision:

- A cohesive, well-governed and democratic nation with a sense of common destiny;
- A high level of economic prosperity;
- Empowerment of individuals, families and communities;
- A well-educated and trained workforce;
- Improving levels of health care;
- Infrastructure necessary for private sector growth;
- Reduced disparities between islands, men and women, rural areas and towns;

- Positive development of traditional values and customs;
- Protection of the physical environment.

Achievement of this vision is dependent on a restoration of confidence in the country and on a subsequent resurgence of growth in the economy based on private sector led growth.

Priorities

Stable Government

- Restoration, and then maintenance, of macro-economic stability through measures to tighten monetary and fiscal conditions.
- Reform of the public sector with priority accorded to the public service rightsizing exercise and to divestment of commercial activities.
- Reform and strengthening the institutions of governance particularly the clarification of the interface between politicians and public servants and a strengthened role for Parliament.

Private Sector Development

- Encouragement of ni-Vanuatu business development through improved access to credit, business training and business advisory services.
- Promotion of financial sector efficiency through the restructuring and rehabilitation of the National Bank of Vanuatu and the VNPF.
- Continue the implementation of tax reforms.
- Continue the move towards greater openness to the global economy by encouraging foreign investment and changing policy in favour of internationally competitive exports.
- Improve infrastructure services through corporatisation and rationalisation of commercial services provided by government; improve the reliability and affordability of inter-island shipping; and improve the operation of public utilities.
- Sector policies to support Private Sector Development.

Social equity and sustainability

- Lay the foundations for improvements in education and health and for other social equity and sustainability measures.

Budget Policy Statement

1. Long Term Fiscal Objectives

Government is committed to adhering to the Principles of Responsible Fiscal Management contained in the Public Finance and Economic Management Act.

Domestic Revenue

Domestic revenue (tax revenue and other domestic receipts) is expected to gradually increase from around 23% to the CRP stated target of 27% of Gross Domestic Product (or GDP – a measure of the size of the economy).

Parliamentary Appropriated Expenditure

This includes government expenditure financed by domestic revenue as well as expenditure financed by domestic and overseas borrowing.

Government's long term objective is for expenditure levels to be consistent with:

- Building up, and then maintaining a level of reserves sufficient to provide adequate cashflow for government operations and to cater for un-anticipated expenditures such as resulting from natural disasters or sudden changes in external conditions; and
- Maintaining a prudent level of public debt.

The requirement to build up reserves will mean government will aim as quickly as possible to ensure that domestically financed expenditure is kept below domestic revenue.

A prudent level of debt is defined as a level of debt that results in annual debt service costs (interest, charges and principal repayments) of no more than 10% of domestic revenue.

2. Strategic Priorities for the 1999 Estimates

The main priorities for the 1999 budget are to consolidate the rightsizing reductions made during the 1998 budget period. This will be achieved by ensuring that there is no significant hiring of new staff in 1999 unless justified on the grounds of providing essential professional or technical services. The budget also aims to fund CRP initiatives.

These two objectives are to be achieved within expenditure limits that will result in a balance between domestic revenue and expenditure financed by domestic revenue and borrowing – that is, a "balanced budget".

In terms of departmental and ministerial expenditure limits for 1999, the following priorities are foreseen:

- Education – up to 10% higher

- Health – up to 5% higher
- 300 mvt government contribution for development projects

3. Economic Intentions

This statement of Budget Policy requires Government to outline its intentions for both economic and fiscal variables.

Economic Growth

In line with Government's economic policy statement, growing the economy is a key policy target. Government's intention is that economic growth, (as measured by changes in real Gross Domestic Product, GDP), averages at least more than population growth. With population growth estimated to be around 2.6% per year, this means that economic growth must average at least 3% per year to achieve sustained increases in living standards.

Price Inflation

Government's intention is to ensure that price inflation is kept in line with our major trading partners. The source of most domestic price changes is changes in the price of imported items in vatu terms. Government has little control over these type of price changes.

However, the recent introduction of VAT has seen price increases for various consumer items. Government is determined to ensure that any price increases resulting from the introduction of VAT are one-off in nature.

Reductions in some consumer prices should be achieved through injecting greater competitive pressure in some sectors of the economy.

Government therefore believes that, in the medium term, price inflation should be no more than inflation in our major trading partners. An average inflation rate of between 2 and 3% would satisfy Government's medium term intentions.

Nominal GDP Forecast

It is estimated that Nominal GDP will reach Vatu 30,499 million in 1998, rising to Vatu 31,884 in 1999, Vatu 33,610 in 2000 and Vatu 35,277 in 2001.

Employment

Pursuit of higher rates of economic growth is expected to lead to higher employment growth. However, translation of output growth into employment growth depends crucially on upgrading the skills of the population.

Little information is available on the growth of employment. There are currently no regular surveys of employment.

Balance of Payments

Government's intentions are to ensure that monetary and fiscal conditions are such that Vanuatu does not repeat the policy mistakes that led to the balance of payments problems experienced in early 1998.

Foreign exchange earnings from tourism, the export of goods, as well as from Official Transfers, will remain the most important determinants of the balance of payments position for the foreseeable future. Aid receipts also supplement the foreign exchange earnings of the country in a major way.

4. Fiscal Performance and Intentions

1997 Budget and Actual and 1998 Fiscal Update

The 1998 figures for January to September reflect serious under collection of revenue. Tax revenue is likely to be close to budget by year end. Under collection is serious for departmental charges especially in Ports and Marine, Civil Aviation and the Post Office.

However, even with lower than expected revenue, the deficit is expected to be much less than budgeted due to under expenditure. This is partly because it is unlikely that VNPF will receive all the budgeted loan proceeds of Vatu 1.6 billion (to help fund the payouts) and also because of under expenditure in the "recurrent" budget.

Nominal Vatu millions	1997		1998		
	Budget	Actual	Budget	Jan-Sept	Estimated Outturn
Revenue		9,863	10,573	5,134	7,331
Domestic Revenue		6,510	7,162	4,859	6,782
<i>Of which tax revenue</i>		5,779	6,290	4,463	6,187
Aid Donor Grants		636	1,430	275	549
Aid-in-Kind		2,717	1,981	n.a.	n.a.
Outlays		10,378	14,693	6,559	10,331
Parliamentary Appropriation:					
<i>Domestically financed expenditure</i>		7,024	9,255	5,871	8,148
<i>Donor funded Loan expenditure</i>		n.a.	2,027	321	1,631
Aid Donor Grants		636	1,430	367.	552
Aid-in-Kind		2,717	1,981	n.a.	n.a.
Overall Deficit		-514	-4,120	-1,425	-3,000
Financed by:					
CRP loan (ADB)			1,800	1,311	1,311
Other Aid Donor loans			707	204	371
Domestic loans for VNPF			1,600	1,595	1,595
Net position (deficit(-)/surplus(+))			-13	1,685	277
Public Debt Outstanding					

Note: 1997 aid-in-kind figures from ESD survey.

Fiscal Intentions – 1999-2001

The Government's intention for fiscal variables reflect the attainment of the long term objectives in section 1. Note that the deficit in the following table does not take account of concessional loans for projects.

	1998 ¹		1999		2000		2001	
	MVT	% of GDP	MVT	% of GDP	MVT	% of GDP	MVT	% of GDP
Domestic Revenue	6,782	22.2	7,207	22.6	7,834	23.3	8,304	23.5
Domestically financed expenditure	8,048	26.4	7,200	22.6	7,434	22.1	7,804	22.1
Deficit/Surplus	-1,266	-4.2	7	0.0	400	1.2	500	1.4
Public Debt Outstanding	10,096	33.1	10,107	31.7	9,696	28.8		
Nominal GDP	30,499		31,884		33,610		35,277	

1. Estimated Outturn

5. Principles of Responsible Fiscal Management

These principles are:

1. "reducing, and then managing, total State debt at prudent levels.....by ensuring that, unless such levels have been achieved, the total overall expenditures of the State in each financial year are less than its total overall receipts in the same financial year; and
2. achieving and maintaining levels of State net worth that provide a buffer against factors that may impact adversely on the State's net worth in the future; and
3. managing prudently the fiscal risks facing the State; and
4. pursuing policies that are consistent with a reasonable degree of predictability about the level and stability of tax rates for future years."

The Long Term Objectives, the Strategic Priorities and the Economic and Fiscal Intentions are fully consistent with these principles.

6. Conclusion

The previous Budget Policy Statement was published in the Supplement to the 1998 Budget. This Budget Policy Statement is presented in a different format and so is not strictly comparable.

The Long Term Objectives specified in this Statement are new and are framed around the CRP revenue target of 27% of GDP. The Revenue target presented in the previous Statement was based on the same long term objective. The Objectives for Expenditure and the Deficit are consistent with the previous Statement in that both aim for a surplus of domestic revenue over domestically financed expenditure.

The Objective for debt is different from the previous Statement which specified a maximum level of debt. The new Objective is specified in terms of the cost of servicing and repaying debt.

The Fiscal Intentions are equivalent to the 3 year fiscal projection in the previous Statement. The differences are that because of poor revenue performance during 1998, Intentions for 1999 to 2001 have been revised downwards.

Ministry of Finance and Economic Management
October 1998

REPUBLIC OF VANUATU

TAXIS ACT [CAP 49]

REMOVAL

IN EXERCISE of the powers conferred upon me by section 18(4) of the Taxis Act [CAP. 49] and in conjunction with section 21 of the Interpretation Act [CAP. 132] I, **FATHER WALTER H LINI**, Deputy Prime Minister and Minister of Internal Affairs, hereby remove -

**MR ANDREW WELWEL and
MR ZEBEDEE TAGA**

as members of the Land Transport Board.

This Removal shall come into effect from the date of signature.

MADE at Port Vila this 8th day of October, 1998.

Father Walter Lini

FATHER WALTER H LINI
Deputy Prime Minister And
Minister of Internal Affairs.





REPUBLIC OF VANUATU

TAXIS ACT [CAP. 49]

APPOINTMENT

IN EXERCISE of the powers conferred upon me by section 18(2)(f) of the Taxis Act [CAP. 49] I, **WALTER H. LINI**, Minister of Internal Affairs, hereby appoint –

CHIEF KALOSAVA MATOVILIU

to be a member of the Land Transport Board for the Municipality of Port Vila and Efate Provincial Government region for a term of two years.

This Appointment shall come into effect from the date hereof.

DATED at Port Vila, this 8th day of October, 1998.

W. Hadye Lini
WALTER H. LINI
Minister of Internal Affairs





REPUBLIC OF VANUATU

TAXIS ACT [CAP. 49]

APPOINTMENT

IN EXERCISE of the powers conferred upon me by section 18(2)(e) of the Taxis Act [CAP. 49] I, **WALTER H. LINI**, Minister of Internal Affairs, hereby appoint –

DAVID HANGO
JOHN CROWBY

to be members of the Land Transport Board for the Municipality of Port Vila and Efate Provincial Government region for a term of two years.

These Appointments shall come into effect from the date hereof.

DATED at Port Vila, this 8th day of October, 1998.

W. Hudge Lini

WALTER H. LINI
Minister of Internal Affairs





REPUBLIC OF VANUATU

TAXIS ACT [CAP. 49]

APPOINTMENT

IN EXERCISE of the powers conferred upon me by section 18(2)(d) of the Taxis Act [CAP. 49] I, **WALTER H. LINI**, Minister of Internal Affairs, hereby appoint –

SAPI NATONGA

to be a member of the Land Transport Board for the Municipality of Port Vila and Efate Provincial Government region for a term of two years.

This Appointment shall come into effect from the date hereof.

DATED at Port Vila, this 8th day of October, 1998.

W. Hadye Lini

WALTER H. LINI
Minister of Internal Affairs



THE INTERNATIONAL COMPANIES ACT

INTERNATIONAL SERVICES INC.
(in voluntary liquidation)

NOTICE IS HEREBY GIVEN THAT:

1. The company is in dissolution;
2. The dissolution commenced on 25 September 1998; and
3. The liquidator is Bill Hawkes of KPMG House, P O Box 212, Port Vila, Vanuatu.

Dated at Port Vila this 29th day of September 1998.

TRUSCO HOLDINGS LIMITED (Director)
by its authorised officer

RÉPUBLIQUE DE VANUATU

ACTE CONSTITUTIF

NOMINATION

LE PRÉSIDENT DE LA RÉPUBLIQUE

CONFORMÉMENT aux pouvoirs que lui confèrent les dispositions du paragraphe 1) de l'article 57 de la Constitution de la République de Vanuatu, sur avis du Premier ministre, nomme par les présentes :

RUBEN MAKIKON

membre de la Commission de la Fonction publique pour un mandat de trois (3) ans à compter du 15 septembre 1998.

FAIT à Port-Vila, le 15 septembre 1998.

Le président de la République de Vanuatu,

JEAN-MARIE LEYE LENELCAU MANATAWAI

RÉPUBLIQUE DE VANUATU

ACTE CONSTITUTIF

NOMINATION

LE PRÉSIDENT DE LA RÉPUBLIQUE

CONFORMÉMENT aux pouvoirs que lui confèrent les dispositions du paragraphe 1) de l'article 57 de la Constitution de la République de Vanuatu, sur avis du Premier ministre, nomme par les présentes :

HILDA TALEO

membre de la Commission de la Fonction publique pour un mandat de trois (3) ans à compter du 28 septembre 1998.

FAIT à Port-Vila, le 28 septembre 1998.

Le président de la République de Vanuatu,

JEAN-MARIE LEYE LENELCAU MANATAWAI

RÉPUBLIQUE DE VANUATU

LOI SUR LA SOCIÉTÉ NATIONALE DE L'HABITAT (CAP. 188)

NOMINATION

**LE MINISTRE DE L'INTÉRIEUR ET MINISTRE
CHARGÉ DE LA SOCIÉTÉ NATIONALE DE L'HABITAT**

VU les pouvoirs que lui confèrent les dispositions du paragraphe 3) de l'article 2 de la Loi sur la Société nationale de l'habitat (CAP. 188), nomme par les présentes :

**PATRICK CROWBY
JOHN LEO TAMATA
MADELINE MATU TOM
MARCEL TABIUSU
EDWARD NALIAL
ROBERT GARAE
SAMUEL SIMBOLO**

membres du Conseil d'administration de la Société nationale de l'habitat pour un mandat de trois (3) ans à compter de la date des présentes.

FAIT à Port-Vila, le 16 septembre 1998.

**Le ministre de l'Intérieur et ministre
chargé de la Société nationale de l'habitat,**

WALTER H. LINI

RÉPUBLIQUE DE VANUATU

LOI NO. 17 DE 1996 SUR LE DÉDOMMAGEMENT (GRÉVISTES)

FIN DE MANDAT

**LE PREMIER MINISTRE ET MINISTRE DE LA FONCTION PUBLIQUE, DU
PLAN ET DES STATISTIQUES, DES SERVICES LINGUISTIQUES ET DES MÉDIAS**

VU les pouvoirs que lui confèrent les dispositions de l'article 6 de la Loi No. 17 de 1996 sur le dédommagement (grévistes), met fin, par les présentes, à la nomination de :

**JOSEPH CALO
WILLIAM TARI**

comme membres du Conseil de dédommagement à compter de la date des présentes.

FAIT à Port-Vila, le 25 septembre 1998.

**Le Premier ministre et ministre de la Fonction publique, du
Plan et des Statistiques, des Services Linguistiques et des Médias,**

DONALD KALPOKAS

RÉPUBLIQUE DE VANUATU

LOI NO. 17 DE 1996 SUR LE DÉDOMMAGEMENT (GRÉVISTES)

NOMINATION

**LE PREMIER MINISTRE ET MINISTRE DE LA FONCTION PUBLIQUE, DU
PLAN ET DES STATISTIQUES, DES SERVICES LINGUISTIQUES ET DES MÉDIAS**

VU les pouvoirs que lui confèrent les dispositions de l'article 6 de la Loi No. 17 de 1996 sur le dédommagement (grévistes), nomme par les présentes :

**ALFRED KALONTAS
TOM SARI**

membres du Conseil de dédommagement à compter de la date des présentes.

FAIT à Port-Vila, le 25 septembre 1998.

**Le Premier ministre et ministre de la Fonction publique, du
Plan et des Statistiques, des Services Linguistiques et des Médias,**

DONALD KALPOKAS