

THE FORCES BEHIND RISING PRICES PART 2

In Part 1, we explored how international forces — from rising freight costs to global inflation — affect what ends up on Fiji’s shelves.

But these global pressures don’t act in isolation. The second layer of price stress is driven by Fiji’s economy at the local level, how goods are distributed, and how markets operate.

These internal forces help explain why prices continue rising, even when there are no new global shocks, and even for locally available items.

Domestic Pressures Driving Higher Costs

Supply Chain Challenges Within Fiji

Even when goods are produced or sourced locally, getting them to market can be costly. Transport and operational costs between islands also play a part and limitations in cold storage and warehousing capacity can add inefficiency. Inter-island freight still depends on ageing infrastructure and volatile shipping schedules.

While FCCC does not have direct control over raising global prices and costs, we do our part to ensure that the impact of these costs on shelf prices is fair and valid and that there is no artificial inflation by unethical traders.

Limited Local Production Capacity

For many essentials, Fiji either does not produce enough — or any at all. We import 100% of our wheat, most edible oils, and powdered milk. When it comes to Agriculture, some of the challenges that exist are vulnerability to weather, pests, and rising input costs. Processing and packaging also still depend heavily on imported materials.

Market Structure and Competition Limitations

With Fiji, the economy of scale plays a major role. Our small island economy (relatively, speaking), might not have the level of industrialisation that other more developed nations may have. Some sectors are also led by a small number of established suppliers, and this may reduce the competitive push that would normally apply to prices.

Monopolistic structures mean suppliers are potentially able to set prices high as competition is limited or likely to be lessened. This area is specifically one that FCCC oversees, checking for unfair competition and taking regulatory action, where needed.

Financial barriers may also discourage new suppliers from entering the market to challenge established players.

What Does This Mean for Consumers?

Fiji’s local economic realities, of limited production, high internal transport costs, small markets, and less dynamic market competition in some sectors, reinforce the effects of global price pressures. That means that even if global prices stabilise, domestic costs may remain elevated.

- To manage this:
- Support local alternatives where viable. An increase in demand will be noticed by local suppliers who will feel incentivised to focus on catering more to domestic needs.
 - Raise concerns with FCCC if you suspect prices are rising unfairly. While we do price monitoring, your input is an essential part of the equation.
 - Make your voice heard at price control order review consultations – we hold these for a reason!
 - Believe a non-controlled item needs review? You can also make a submission to FCCC independently via email.

Final Thoughts

Understanding Fiji’s structural limitations isn’t about making excuses — it’s about getting real about what it takes to build a more resilient, competitive economy. The goal isn’t just lower prices — it’s sustainable affordability. That’s only possible when we understand the full price equation, which includes elements like the supply chain.

In Part 3 of Market Matters, we’ll explore what’s being done — from regulatory enforcement to public support measures — and what role consumers can play in keeping the market fair.

Stay tuned for Part 3 and the conclusion of The Forces Behind Rising Prices series next week!

For complaints or queries, scan the QR code to reach us on one of our many platforms.



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TRACKING PRICES FROM YOUR GROCERY BASKET. EXPLAINING THE WHY.

PRODUCT	OLD PRICE	NEW PRICE	SOURCE MARKET	WHY THE PRICE CHANGED
 GARLIC (ALI’S FARM FRESH PRODUCE)	\$5.11	\$5.72	China	The increase in prices for these items is due to the increase in supplier cost, clearance cost, Freight cost and the strengthening of the USD currency.
 NATURAL GOODNESS SOYABEAN OIL (6 X 2L) (ASHABHAI & CO.PTE LTD)	\$7.00	\$8.32	Malaysia	
 FMF SOYABEAN OIL (12 X 1L)	\$3.92	\$4.19	Singapore	
 FMF SOYABEAN OIL (4 X 5L)	\$18.00	\$19.63	Singapore	