

World Bank Statement: Update on Fiji 2019-2020 Household Income and Expenditure Survey

Household consumption estimates in Fiji's 2019-2020 Household Income and Expenditure Survey (HIES) have been updated to account for revised estimates on spending on non-food items such as utilities, communications, domestic services, and education. This change affects consumption-based poverty estimates based on the HIES, with Fiji's national poverty rate for 2019-20 now estimated at 24.1 percent, compared to 29.9 percent previously recorded.

The discrepancy in the coding was identified by the World Bank's Poverty & Equity Global Practice Team during a cross-check review exercise to ensure Fiji's Survey remains in-line with international practices. The World Bank regrets that this error was not identified earlier.

The review identified that in the consumption aggregate estimated from the 2019-20 *Survey*, expenditure on four non-food categories: utilities (electricity, gas, water, garbage collection), communications (telephone, TV, internet and postal) domestic services and education (including school fees and books) was only included for households that spend on *all* sub-categories. The revised expenditure measures now represent total spending on *any* of these items, bringing these figures in line with international standards.

The change has resulted in household consumption figures being revised upwards for most Fijian households, with non-food consumption originally representing 4 percent of total household consumption, now accounting for 11 percent.

Fiji's national poverty line remains virtually unchanged (FJ\$ 2179.4 in the original, compared to FJ\$2179.5 in the revision), due to the relatively uniform distribution of non-food expenditures among the households in the original and revised reference groups used to calculate the poverty line. Poverty estimates have now been revised downwards in both urban and rural areas, with estimates for all divisions now lowered by 3.4 to 6.2 percentage points (see table).

The revised consumption aggregate means a Gini Index of inequality of 30.7 points, slightly up from 30.1 points. The urban-rural gap in real per adult equivalent consumption increases from 1.40 to 1.45.

It should be noted that the 2019-20 poverty estimates are based on consumption per capita and cannot be compared directly to 2013-14 poverty measures which were based on income.

Changes in the poverty headcount rate*

	Original rate (%)	Revised rate (%)	Difference in rate (p.p)
National	29.9	24.1	-5.8
Rural	41.5	36.5	-5.0
Urban	20.4	14.0	-6.5
Geographical Division			
Central	24.3	18.8	-5.5
Western	32.4	26.2	-6.2
Northern	35.2	29.0	-6.2
Eastern	42.7	39.2	-3.4

^{*}NB: Figures in this table have been rounded.