



RESERVE BANK OF FIJI

PRESS RELEASE



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STATEMENT BY THE CHAIRMAN OF THE MACROECONOMIC POLICY COMMITTEE AND GOVERNOR OF THE RESERVE BANK OF FIJI

ECONOMIC GROWTH PROJECTIONS REVISED UPWARD

The Chairman of the Macroeconomic Policy Committee¹ and Governor of the Reserve Bank of Fiji, Barry Whiteside, announced that, “after a detailed reassessment of the relevant data and information available, the domestic economy is now forecast to expand by 3.2 percent this year, an upward revision from the earlier growth forecast of 2.7 percent announced in the 2013 National Budget. The revised growth projection for 2013, if achieved, will be the highest since 2004.

Growth this year is projected to be broad-based with positive contributions from all the sectors except for the mining & quarrying sector. The contraction in the mining sector reflects lower production levels and is largely due to the extraction of low grade ore by the Vatukoula Gold Mines Limited. The manufacturing; agriculture; wholesale & retail trade; communication; financial intermediation; construction and the transport & storage sectors provide the major impetus to the 3.2 percent growth in 2013. The main drivers for the upward revision in growth this year are due to better-than-expected performances in the wholesale & retail trade; communications; construction and the transport & storage sectors.”

Mr Whiteside further stated that, “the revised growth projection reflects the growing sense of optimism in the economy and is consistent with the strong growth in various partial indicators such as net Value Added Tax collections, inward personal remittances, domestic cement sales and borrowing by the private sector for consumption and investment purposes. This is further validated by the Reserve Bank’s own Business Expectations and Retail Sales Surveys and direct feedback from a wide cross section of industries and sectors.” He added that the upward revision to the economic growth projection mirrors the increased investment by the private sector, statutory corporations and Government, which is estimated at 28 percent of Gross Domestic Product (GDP) for 2013.

Speaking on last year’s growth, Mr Whiteside said that, “the economy in 2012 is now estimated to have grown by 2.2 percent - slightly lower than the earlier 2.5 percent growth forecast - due to lower-than-expected visitor arrivals and declines in sugar cane and gold production.”

The Chairman added that, “the GDP growth forecasts for 2014 and 2015 have been revised upward to 2.5 percent and 2.4 percent, respectively.”

Barry Whiteside
Chairman of Macroeconomic Policy Committee

¹ Other members of the Macroeconomic Committee include the Permanent Secretary for Finance, Permanent Secretary for Ministry of Strategic Planning, National Development & Statistics, Permanent Secretary for Ministry of Industry & Trade, Chief Executive Officer of Fiji Revenue & Customs Authority, Chief Executive Officer of Investment Fiji and Government Statistician for Fiji Bureau of Statistics.