



# RESERVE BANK OF FIJI

## *PRESS RELEASE*



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### MONETARY POLICY STANCE REMAINS UNCHANGED

The Reserve Bank Board agreed to keep the Overnight Policy Rate (OPR) at 0.5 percent following its monthly Board meeting on 28 November.

In announcing the decision, the Governor and Chairman of the Board, Barry Whiteside highlighted that positive performances continue to be noted in key sectors of the economy while consumption and investment activity have remained buoyant, well supported by adequate liquidity and low interest rates in the financial system.

Inflation in October increased marginally to 3.3 percent, largely on account of higher prices of certain food and alcoholic beverage items. The Chairman added that foreign reserves remain comfortable at \$1,869.7 million, sufficient to cover 5.1 months of retained imports of goods and non-factor services.

Mr Whiteside said that “the growth forecast for 2014 is now expected to be higher than the 3.0 percent estimated prior to announcement of the 2014 National Budget and commended Government for the increased capital expenditure and the continuation of the structural reforms”. He added that the higher expenditure will result in increased imports which would pose downside risks to our balance of payments next year. However, foreign reserves, which are currently at record highs, are expected to remain comfortable.

The Governor reiterated that the existing soft global economic climate means that Fiji will need to drive economic activity internally. He said the current monetary policy stance remains appropriate as it seeks to complement Government’s policy initiatives towards growth. Mr Whiteside concluded that the Bank will continue to assess ongoing global and domestic economic developments and adjust monetary policy accordingly, as required.

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