

RESERVE BANK OF FIJI



PRESS RELEASE

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RESERVE BANK OF FIJI RELEASES 2014 ANNUAL REPORT

The Honourable Minister for Finance, Mr Aiyaz Sayed-Khaiyum, tabled the 2014 Annual Report of the Reserve Bank of Fiji (RBF) in Parliament on 6 July 2015. The Report included the audited accounts and the operations of the Reserve Bank for the year ended 31 December 2014.

In releasing the Report, the Governor of the Reserve Bank, Mr Barry Whiteside stated that against moderate global economic activity, the Fijian economy recorded its fifth consecutive year of growth in 2014 of 4.5 percent, notably above 4.0 percent for the second successive time during this period. Robust financial intermediation, increased manufacturing and service-related activities, strong private and public sector construction and final demand, on the back of government's continued expansionary fiscal stance and the RBF's accommodative monetary policy underpinned the 2014 growth outcome.

Equally important, the 2014 Annual Report revealed that the Reserve Bank of Fiji successfully met its core objectives and statutory functions throughout 2014. During the year, the Bank's twin monetary policy objectives of maintaining an adequate level of foreign reserves and low inflation remained intact. Satisfactory capital positions and earnings on both the banking and insurance fronts ensured the continued soundness and stability of Fiji's financial system in 2014. Guided by its role in the development of the economy, the Reserve Bank continued with financial inclusion initiatives and its use of unconventional policy tools. Other notable developments included the establishment of a new Risk Management and Communications Group and the issuance of the improved \$2 coin to ensure better differentiation from the \$1 coin, as the Bank continued to promote efficiency and effectiveness in its own operations and the RBF's service to the public.

Historically low global interest rates, a factor beyond our control, affected the RBF's foreign reserves income stream in 2014. Nevertheless, operational expenditure restraint against this income outcome underscored the \$28.5 million RBF profit for the 2014 financial year, slightly lower than the \$31.9 million 2013 result. A total of \$35.2 million was transferred by the Bank to the Government, which included the entire profit of \$28.5 million and one-fifth of the balance of revaluation reserves account of \$6.7 million.

Consistent with its core Bank values, the Governor stressed that the Reserve Bank of Fiji will strive to consistently meet its objectives into the future. The Governor, together with his Board of Directors, duly extended his appreciation to the staff of the Bank, relevant counterparts and stakeholders in the successful achievements of the Reserve Bank of Fiji in 2014.

The Annual Report can be downloaded from the RBF's website at www.rbf.gov.fj

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