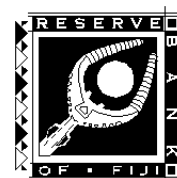


# RESERVE BANK OF FIJI

## *PRESS RELEASE*



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Press Release No.	: 26/2015	Telephone	: (679) 331 3611
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### MONETARY POLICY STANCE REMAINS UNCHANGED

The Reserve Bank of Fiji Board at its monthly meeting on 27 August agreed to maintain the Overnight Policy Rate at 0.5 percent.

The Governor and Chairman of the Board, Mr Barry Whiteside noted that “positive sectoral outcomes and strong demand conditions in the year to date are in line with the 4.3 percent economic growth projection for this year. In particular, increased consumption and investment demand continue to be supported by favourable financial and labour market conditions.”

Mr Whiteside stated that in contrast, global economic conditions remain fragile, particularly as the recent China currency devaluation heightened uncertainty for the international growth outlook, apart from pushing commodity prices further downwards.

Given the low global commodity prices, especially for oil and soft trading partner inflation expectations, the Governor highlighted that the 2015 year-end inflation is expected to be below 3.0 percent. Foreign reserves are currently (25 August) comfortable at \$1,969.3 million, sufficient to cover 4.9 months of retained imports of goods and non-factor services. In short, the dual mandates of the Bank remain stable.

The Governor concluded that, “as a result, the Bank will continue to monitor the latest global and domestic developments and align monetary policy accordingly.”

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