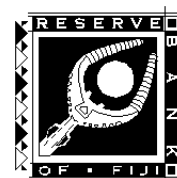


RESERVE BANK OF FIJI

PRESS RELEASE



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MONETARY POLICY STANCE REMAINS UNCHANGED

At the November meeting, the Reserve Bank of Fiji Board decided to keep the Overnight Policy Rate at 0.5 percent.

The Governor and Chairman of the Board, Mr Barry Whiteside highlighted that, “despite the subdued global economic environment, latest partial indicators suggest continued buoyancy in domestic demand. Consumption and investment activity have remained strong, supported by accommodative monetary conditions, higher remittance inflow and favourable labour market conditions.”

Mr Whiteside also highlighted that given the expansionary fiscal stance and incentives announced in the 2016 National Budget, growth in the near-term is likely to be higher than forecast.

The Governor however, mentioned that continued weak global demand can have implications on Fiji’s earnings through trade, remittances and tourism. Also of concern is the impact of adverse weather on domestic activity, especially on agricultural supply.

On the dual mandates of the Bank, the Governor stated that these remain stable. Inflation slowed to 1.3 percent in October however given the recent announcement by Government via its 2016 Budget on the immediate increase in certain excise and import duty, the actual year-end inflation outcome may be slightly higher-than-earlier expected. Foreign reserves are at comfortable levels and currently (30 November) are \$1,951.9 million, sufficient to cover 5.9 months of retained imports of goods and non-factor services.

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

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