

# RESERVE BANK OF FIJI

## PRESS RELEASE



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### **RESERVE BANK OF FIJI RELEASES AUGUST 2018-JULY 2019 ANNUAL REPORT<sup>1</sup>**

The Honourable Minister for Economy, Mr Aiyaz Sayed-Khaiyum, tabled the August 2018–July 2019 Annual Report of the Reserve Bank of Fiji (RBF) in Parliament on 17 February, 2020. The Report included the audited accounts and the operations of the Reserve Bank for the financial year ending 31 July 2019.

The Governor of the Reserve Bank, Mr Ariff Ali highlighted that Fiji’s economy is estimated to have grown at a modest 1.0 percent in 2019. This outcome is attributed to subdued global economic conditions and sluggish domestic demand mirrored by softening consumption and investment activities. He added that business and consumer confidence as per the June 2019 business expectations and retail sales surveys, were in line with slowing economic and financial conditions. Nonetheless, the overall financial system remained stable during the fiscal year with gross assets rising to \$21.5 billion at the end of June 2019. Looking ahead, domestic growth is expected to increase to 1.7 percent in 2020 mainly on the back of improved sectoral performance and aggregate demand.

Mr Ali stated that the Reserve Bank’s key objectives of low inflation and maintaining a sufficient level of foreign reserves remained intact. In the 2018-19 financial year, inflation averaged 3.8 percent led by higher prices of food, alcohol, cigarettes, yaqona and domestic fuel. Nonetheless, inflation slowed to 0.7 percent in July 2019. Foreign reserves declined over the fiscal year and totalled \$2,087.3 million at the end of July 2019, sufficient to cover 4.9 months of retained imports of goods and non-factor services. Given the positive outlook, the Reserve Bank maintained an accommodative monetary policy stance throughout the 2018-2019 financial year.

On the Bank’s financial performance, amidst another challenging year in global financial markets, the Bank reported a net profit of \$28.9 million for the 2018-19 financial year, slightly lower than the \$31.5 million in the preceding financial year. A total of \$29.4 million was transferred to Government, which includes \$1.5 million being one fifth of the Revaluation Reserve Account. This includes the transfer of \$1.0 million to the General Reserve Account.

Notable achievements by the Bank include its new strategic plan premised on ‘*Rising above the Bar of Expectations*’ to guide operations in the next five years, as well as the launching of Fiji’s Personal Properties Securities Registry, which allows lenders to file their security interests on moveable assets pledged by borrowers. Another accomplishment was the launching of a National Summary Data Page on the RBF website making Fiji one of the first countries in the Pacific to implement the Enhanced General Data Dissemination System spearheaded by the International Monetary Fund, RBF, Fiji Bureau of Statistics and Ministry of Economy. This provides policy makers and other stakeholders, easy access to statistics critical for monitoring economic conditions and policies of the country. The RBF also hosted the inaugural South Pacific Central Banking Research Conference in December 2018 to strengthen research collaboration in the region. In addition, the RBF successfully hosted two follow-up technical assistance missions on “enhancing banking supervision processes and practices” along with “corrective action, financial safety nets and bank resolution” in December 2018 as part of its continued work towards safeguarding Fiji’s financial sector.

In conclusion, the Governor and the Board of Directors extended their appreciation to the staff and stakeholders for their support in achieving the Bank’s key objectives during the 2018-2019 financial year.

### **RESERVE BANK OF FIJI**

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<sup>1</sup> The Annual Report can be downloaded from the RBF’s website at [www.rbf.gov.fj](http://www.rbf.gov.fj)