



RESERVE BANK OF FIJI

PRESS RELEASE



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STATEMENT BY THE CHAIRMAN OF THE MACROECONOMIC POLICY COMMITTEE AND GOVERNOR OF THE RESERVE BANK OF FIJI

ECONOMIC GROWTH PROJECTIONS FOR 2014 REVISED UPWARD

The Chairman of the Macroeconomic Policy Committee¹ and Governor of the Reserve Bank of Fiji, Mr Barry Whiteside announced that, “the domestic economy is now forecast to expand by 3.8 percent this year compared to the 3.0 percent growth forecast prior to the announcement of the National Budget in November last year.”

Mr Whiteside stated that “the revised growth projection is underpinned by two main factors. Firstly, the latest projection is computed on a 2008 GDP base while the forecast in November 2013 was against the 2005 GDP base. The new GDP 2008 base reflects the changing structure of the economy and the inclusion of new sectors which have resulted in changes to the weights of various sectors.”

The Chairman added that, “the other key reason for the higher growth in 2014 is that the projection now incorporates the higher fiscal stimulus announced in the 2014 National Budget. This had not been fully accounted for in the earlier forecast as this information was not available.”

The 2014 growth outlook is projected to be broad-based and with the exception of the fishing & aquaculture sector, all other sectors are envisaged to contribute positively towards the overall growth. The construction; manufacturing; wholesale & retail trade; financial and insurance activities; agriculture; information & communication; education and the transport & storage sectors are expected to be the main drivers of the 3.8 percent growth projection for 2014.

The Chairman concluded that “if the 2014 growth projection is realised, this will be the fifth consecutive year of positive growth, an achievement last recorded between 1992 and 1996.”

Speaking on last year’s growth, Mr Whiteside said that, “the growth estimate for 2013 remains unchanged at 3.6 percent. The major impetus to growth is estimated to have emanated from the manufacturing; wholesale & retail trade; financial & insurance activities; construction; information & communication and the transport & storage sectors.”

The longer term growth projections for 2015 and 2016 remain unchanged at 2.4 percent.

Barry Whiteside
Chairman of Macroeconomic Policy Committee

¹ The Macroeconomic Policy Committee is made up of senior representatives from the Ministry of Finance, Ministry of Strategic Planning, National Development & Statistics, Fiji Bureau of Statistics, Ministry of Industry & Trade, Prime Minister’s Office, Investment Fiji, Fiji Revenue & Customs Authority and the Reserve Bank of Fiji.