

RESERVE BANK OF FIJI



PRESS RELEASE

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RESERVE BANK OF FIJI BOARD LEAVES INTEREST RATES UNCHANGED

The Reserve Bank Board held its monthly meeting on 25 January 2007 and decided to maintain the Policy Indicator Rate (PIR) at the current rate of 4.25 percent.

The Board noted that the policies put in place from 6 December 2006 to stabilise the financial position of the country proved to be very effective. These policies included a credit ceiling on bank credit and selective withdrawal of Exchange Control Delegations from commercial banks. As a result, total official foreign reserves remained at over F\$800 million or an equivalent of over 3 months of imports.

The Board cautioned that major risks to the economy remained and every effort needs to be made by all stakeholders to revive the economy. There is an urgent need to boost exports and reduce unnecessary imports. Export targets must be set with clear time frame to achieve these targets.

The current marketing efforts to revive the tourism industry should continue and all necessary support is to be given to the Tourism Action Group (TAG). All major investment projects should be facilitated where possible.

The Reserve Bank of Fiji will continue to monitor the developments in the economy and the financial sector closely and fine tune policies as required.

Reserve Bank of Fiji