

RESERVE BANK OF FIJI



PRESS RELEASE

Press Release No. : 05/2007

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Date : 27 April 2007

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RESERVE BANK OF FIJI BOARD LEAVES INTEREST RATES UNCHANGED

The Board of the Reserve Bank held its monthly meeting on 26 April 2007 and decided to leave unchanged the Policy Indicator Rate (PIR) at 4.25 percent.

The Board noted that indicators for consumption, investment and credit growth suggest a decline in domestic demand. On sectoral basis, the performance of the tourism industry remains mixed while the sugar cane and other crops industries has been affected by the recent flash floods.

Annual credit growth continues to decline as the effects of the credit ceiling and other policy actions of the Reserve Bank take effect. This trend is expected to continue in the coming months.

The Governor and Chairman of the Board, Mr Savenaca Narube noted that downside risks to the economy include the threat of industrial actions by Trade Unions and the possible delay in reforms of key industries like Sugar. The Governor concluded that while the trade deficit remains, there are early signs that the monetary policy measures are dampening import demand.

Reserve Bank of Fiji