

# RESERVE BANK OF FIJI



## *PRESS RELEASE*

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### **RESERVE BANK OF FIJI BOARD LEAVES INTEREST RATES UNCHANGED**

The Board of the Reserve Bank held its monthly meeting on 31 May 2007 and decided to leave the Policy Indicator Rate unchanged at 4.25 percent. The Board noted that given the weak outlook for Balance of Payments, the current policy mix of the Reserve Bank is adequate for the time being. Accordingly, the credit ceiling and current exchange control measures will continue to be in place. The Board noted that the policies introduced so far are beginning to have an effect in terms of slower credit growth and some slowdown in imports.

At this meeting, the Reserve Bank also released its May 2007 Monetary Policy Statement. The Monetary Policy Statement attempts to provide an explanation of the stance of monetary policy and why the Reserve Bank is taking such a stance. According to the Governor "Protecting Fiji's balance of payments (BOP) position remains the primary focus of monetary policy".

The Governor added "It is extremely important for the general public to appreciate why the Bank does what it is doing. We hope that in informing the public of its actions, there will be a broad understanding of the economic challenges that we face and more importantly, build consensus on how we can overcome these challenges."

#### **Reserve Bank of Fiji**

*To obtain copies of the full Monetary Policy Statement, interested parties are requested to contact Ms Lorraine Seeto, Chief Manager Corporate Planning and Assurance on phone 3223 413 or [lorraine@rbf.gov.fj](mailto:lorraine@rbf.gov.fj) or Mrs. Disusu Delana, Acting Manager Corporate Communications on Phone 3223 225 or email [disusu@rbf.gov.fj](mailto:disusu@rbf.gov.fj). The report contains a detailed account of monetary policy decisions and includes a comprehensive summary of key economic developments.*