



PRESS RELEASE

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Phone: (679) 3313 611

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Fax : (679) 3301 688

E-mail: rbf@reserevbank.gov.fj

MONETARY POLICY STANCE REMAINS UNCHANGED

The Board of the Reserve Bank of Fiji held its monthly meeting on 29 May 2008 and left monetary policy unchanged.

The Board noted that foreign reserves have held up well mainly due to weak domestic demand. However, inflation has remained above 7 percent in the first 4 months of the year, caused mainly by external supply factors.

Given weak credit growth in the economy and in an effort to stimulate investment, the Bank recently relaxed exchange control policies for the domestic borrowing by non-residents. Furthermore, relaxations of forward cover policies are expected to assist the importers hedge against rising food costs.

The Board emphasised that any change to monetary policy will be guided, in particular, by developments in the outlook for foreign reserves.

RESERVE BANK OF FIJI