

# RESERVE BANK OF FIJI



## *PRESS RELEASE*

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### **MONETARY POLICY STANCE REMAINS UNCHANGED**

The Reserve Bank of Fiji Board decided to leave its current monetary policy stance unchanged at its monthly meeting on 26 October, 2007.

At the conclusion of this month's Board meeting, the Governor and Chairman of the Board noted that "While recovery is expected next year, there are clear signs of imports slowing thus resulting in stability in the level of foreign reserves. Credit growth continued to slow as a result of the economic slowdown and the effects of the Bank's various policies currently in place. In addition, the 2007 year-end inflation has now been revised downwards to 3.5 percent, on account of an easing in domestic price pressures. However, the possibility of higher oil prices continues to pose risks both to inflation and the foreign reserves level."

The Governor said that "The Reserve Bank has allowed liquidity in the financial system to rise which has led to lower interest rates."

The Bank will continue to closely monitor economic and financial developments and ensure that monetary policy is responsive to such developments in the economy.

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