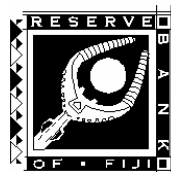


RESERVE BANK OF FIJI



PRESS RELEASE

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MONETARY POLICY STANCE UNCHANGED

The Reserve Bank of Fiji Board met on 28 February 2008 and decided to keep its monetary policy stance unchanged.

The Governor and Chairman of the Board, Mr. Savenaca Narube said that “The modest economic growth expected this year is likely to be revised downwards given the effects of Cyclone Gene and the slowdown in the global economy. The inflation rate was 7.4 percent in January 2008; the highest in almost ten years. However, we are of the view that factors that are pushing prices upwards are temporary and inflation is expected to fall back to moderate levels during the year. Our expectation of the year end inflation rate has been upgraded to 5 percent due to higher food and energy prices.”

“The annual growth rate in credit from commercial banks has declined significantly and was only 3 percent in January. This was largely due to the credit ceiling and the decline in the economy. As a result, imports have declined. With a modest growth recorded in exports, foreign reserves had therefore increased in the second half of last year. The current stance of monetary policy has clearly contributed to the stabilisation our external financial position and we will continue to safeguard this stability into the medium term. However, the long term stability of our balance of payments will be secured only if we are successful in lifting our export performance.”

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