

RESERVE BANK OF FIJI



PRESS RELEASE

Press Release No. : 22/2008

Phone : (679) 3313 611

Date : 01 September 2008

Fax : (679) 3301 688

E-mail : info@rbf.gov.fj

MONETARY POLICY STANCE REMAINS UNCHANGED

The Reserve Bank Board had its monthly meeting in Nadi on Friday 29 August. The meeting was preceded by a presentation on Fiji's economic conditions to the Western Business Community on Thursday evening.

At the conclusion of the Board meeting, the Governor and Chairman of the Board, Mr. Savenaca Narube stated that "in its deliberations, the Board decided to leave monetary policy unchanged."

Mr. Narube explained that "while foreign reserves have held up well so far in 2008, pressures on the balance of payments remained. This was a result of the growth in imports which was outpacing the rise in exports."

On the economy, Mr. Narube stated that "it is encouraging to see some recovery. However, we need to lift our rate of growth." He added that it is vital that appropriate policies are put in place to increase investment which has remained flat over the last two years. On inflation, he said, it will remain somewhat high due to the high oil and food prices but is expected to moderate next year.

In conclusion, the Governor said that the Reserve Bank would continue to monitor conditions and adjust policies as conditions change.

Reserve Bank of Fiji