

RESERVE BANK OF FIJI

PRESS RELEASE



Press Release No. : 09/2021

Telephone : (679) 331 3611

Facsimile : (679) 330 2094

Date : 01 June 2021

Email : info@rbf.gov.fj

RESERVE BANK OF FIJI REDUCES INTEREST RATE ON SPECIAL LENDING FACILITIES

The Reserve Bank of Fiji Board, at its meeting on 27 May 2021, approved a reduction in the interest rate that the RBF charges financial institutions that borrow under its Import Substitution and Export Finance Facility (ISEFF), Disaster Rehabilitation and Containment Facility (DRCF) and the Housing Facility (HF).

Effective from 01 June 2021, commercial banks, licensed credit institutions, Fiji Development Bank and Housing Authority can access funding from the Reserve Bank at a lower rate of 0.25 percent per annum, compared to 1.00 percent previously. In line with the reduction in the interest rate that RBF charges, the maximum interest rate that lending institutions can charge for on-lending these funds to eligible businesses and households will be lowered from 5.00 percent to 3.99 percent per annum. The above change applies to new loans and existing rolled over loans, effective from 01 June 2021.

The Governor and Chairman of the Board, Mr Ariff Ali stated that the reduction of interest rates on the Bank's special lending facilities will reduce the borrowing costs of all businesses and households who have accessed the facility. This should provide some measure of relief in helping reduce the negative impact of the second wave of COVID-19 on their activities. Mr Ali added that the change is also consistent with the broad reduction of interest rates in the market over the year and that the Reserve Bank will continue to engage with the lending institutions in broadening the accessibility of the facilities.

The scheme has a combined funding allocation of \$550 million, comprising \$300 million under ISEFF, \$150 million under DRCF and \$100 million under HF. To date, a total of \$339.0 million in loans has been disbursed under these facilities. The lower rate implemented under the facilities will be reviewed after two years.

More information on the facilities may be obtained from the Domestic Markets Unit (email: domesticmarkets@rbf.gov.fj or contact: 3223291) at the Reserve Bank of Fiji.

RESERVE BANK OF FIJI

For further details, please contact:-

Communications Office

Telephone: (679) 3223 381

Email: info@rbf.gov.fj

Mr Mervin Singh – Manager Corporate Communications

Telephone: (679) 3223 229

Email: mervin@rbf.gov.fj