

RESERVE BANK OF FIJI

PRESS RELEASE



Press Release No. : 14/2021

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Date : 29 July 2021

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RESERVE BANK OF FIJI ANNOUNCES FURTHER RELIEF MEASURES TO ASSIST BUSINESSES

Following its monthly meeting on 29 July 2021, the Reserve Bank of Fiji (RBF) Board announced further enhancements to its Disaster Rehabilitation and Containment Facility (DRCF). The changes include an additional funding allocation of \$200 million, a limited and tiered guarantee targeting MSMEs, streamlined debt recovery processes and the removal of related fees and charges by participating financial institutions for a period of two years.

Revisions to the Facility follow the announcement by the Honourable Minister for Economy during the National Budget Address on 16 July 2021 that the Government will fully subsidise interest payments for loans disbursed under this Facility for the first two years. During this grace period, no borrower will be required to make principal and interest repayments on their DRCF loan. In addition to this, the lending institutions have agreed to support this initiative by waiving any related fees or charges.

When making the announcement, RBF Governor and Chairman of the Board, Mr Ariff Ali stated that the changes to the Facility are aimed at providing relief to many businesses by helping them maintain their operations and in turn supporting the employment of many Fijians during this pandemic. Governor Ali added that these extraordinary measures further supplement the Reserve Bank's policy responses to support access to credit and local business activity. He further clarified that more than one entity or subsidiary within a business group may qualify to access this facility.

The Chairman of Association of Banks in Fiji, Mr Rakesh Ram welcomed the announcement and stated that "the loan program will enable new ventures and existing businesses to access funds quickly to meet immediate financial obligations and I encourage eligible entrepreneurs to approach their lending institutions to take advantage of the offer".

Additionally, to ease collateral requirements, the Fijian Government will provide a loan guarantee cover based on the turnover of businesses as follows:

Business Turnover	Maximum Loan Amount	Loan Guarantee (%)
Less than \$50,000	\$10,000	90
\$50,000-\$300,000	\$20,000	85
\$300,001-\$1,250,000	\$50,000	80
More than \$1,250,000	\$100,000	75

Businesses may access funds under this facility through their respective commercial bank, licenced credit institution or the Fiji Development Bank and will be subject to the criteria of individual institutions to qualify for the loan. More information on the facility may be obtained from the RBF Domestic Markets Unit. (email: domesticmarkets@rbf.gov.fj or telephone: 3223356).

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