

RBF September Economic Review: at a glance



Global Economy



- Many central banks continue to tighten monetary policy to rein in inflation.
- Downside risks to the global economic outlook are firmly in place due to weakening sentiments.

Global Commodity Prices



- International commodity prices continued to retreat.
- Brent crude oil prices fell below **\$100/barrel** since August. Global food prices also fell for the fifth consecutive month in August.

Domestic Economy



- Rebound in tourism and key economic sectors continue.
- Consumption and investment related activities remain positive.
- Labour market conditions continues to improve as economic activity moves closer to pre-pandemic level.

Labour Market



- Number of jobs advertised rose annually (**+212.4%**, cum. to Aug).
- Pay As You Earn tax collection were higher by **15.7%** up to August.

Financial Sector



- Financial conditions remain accommodative.
- Private sector credit grew annually by **4.6%** (August).
- Commercial banks' new lending grew significantly (**+63.0%**) in August

Interest Rates



- Liquidity in the banking system stood at **\$2,580.4m** as at 29 September.
- Interest rates hover near all-time lows

External Trade



- Fiji's trade deficit widened substantially in the year to June.
- Expansion in imports (**49.3%**) continues to outpace the growth in exports (**8.8%**).

Personal Remittances



- In the year to August, inward remittances rose by **24.4%** to **\$661.5m**.
- Money transfer via mobile network operators continues to expand led by convenience and affordability.

Inflation



- Annual headline inflation climbed to **5.9%** in August.
- Global factors have placed upward pressure on fuel and food prices.
- Year-end inflation forecasts for 2022 and 2023 are at **5.0%** and **3.0%**, respectively.

Foreign Reserves



- Remained comfortable at **\$3,548.4m** (8.3 months of retained imports) on 30 September.
- Projected to remain comfortable in the near to medium term.

Monetary Policy



- Overnight Policy Rate maintained at **0.25%** in September.

Risks



- Fears of further global economic slowdown.
- Elevated global inflation & tighter financial conditions
- Renewed concerns of supply-related disruptions.
- More aggressive geopolitical tensions.
- Natural disasters and climate-related emergencies.