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



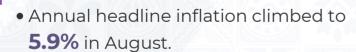
- Fiji's trade deficit widened substantially in the year to June.
- Expansion in imports (49.3%) continues to outpace the growth in exports (8.8%).

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





- 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.