RBF October 2025 ECONOMIC REVIEW
at a glance

International Economy

Global Economy

Global growth projections for 2025 have been revised upward by key institutions. However, rising US-China trade tensions and new US tariffs, especially on key exports, have increased global uncertainty and led to a downgrade in the 2026 forecast, posing medium-term risks for Fiji's economy.

Sources: IMF WEO OCT-25, ADB & Consensus Forecast

Commodity Prices (Sep MoM)

- Gold 10.2% — US$3,873.20 / OZ
- FAO Food Index -0.7%
- Sugar 1.4% — US16.60 cents / pound
- Brent Crude Oil -1.6% — US$67.02 / barrel

Sources: Bloomberg & FAO

Fijian Economy (Jan-Sep)

Sectoral (YoY)

- Visitor Arrivals 0.3%
- Electricity 0.3%
- Cane* -5.1%
- Sugar* -18.0%

*(as of 27 October)

- Mahogany 90.3%
- Woodchips 4.5%
- Sawn Timber 1.4%
- Mineral Water -9.1%
- Gold Ore -25.8%

Sources: FBoS & Various Industries

Labour Market (YoY)

Resident departure by purpose - 1yr above: - 18.6%

Job Advertisements: -10.0%

Foreign Work Permits (Approved): -86.0%

Sources: FBoS, RBF, NEC & Ministry of Immigration

Consumption (YoY)

- Net VAT Collections 1.3%
- New Consumption Lending: 31.5%*
- Vehicle Registrations 23.9%**
- Electricity Demand 1.7% *(Aug)*

Investment

- New Investment Lending: -5.0%*
- Value of work put-in-place: 12.0% *(Cum. Qtr-2)*

* Excluding refinancing
** Including new and second-hand vehicles

Sources: FRCS, RBF & Various Industries

Financial Conditions (YoY)

- Liquidity (30/10) **$2.3 billion**
- Broad Money **10.9%**
- Private Sector Credit **9.6%**

Source: RBF

External Trade (Jan-Jul)

- Export 8.0%
- Import 7.0%
- Trade Deficit 6.4%

Source: FBoS

Risks to the Outlook

Downside risks remain due to global geopolitical tensions and uncertainties from further impositions of sector specific US tariffs. Domestically, the upcoming cyclone season poses potential risks.

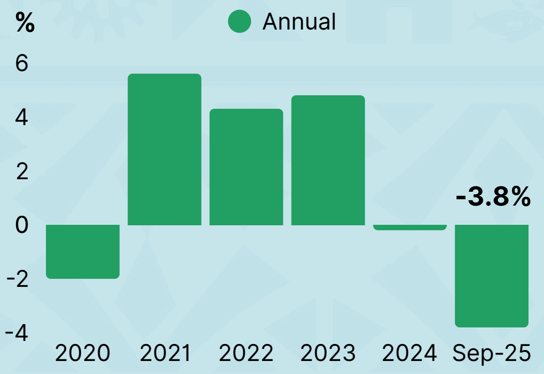
Monetary Policy Objectives

Foreign Reserves

$3.9 billion (31/10)
6.1 MORI

Source: RBF

Headline Inflation



Source: FBoS

Overnight Policy Rate

The RBF Board maintained the Overnight Policy Rate at **0.25%** in its October meeting.

RESERVE BANK OF FIJI

ECONOMIC REVIEW

Vol. 43 No. 10 Month Ended October 2025

Global growth projections for 2025 have been revised upward by key institutions,[1] as lower-than-expected tariffs by the United States (US) is anticipated to influence a stronger performance among Fiji's trading partners. The International Monetary Fund in its October World Economic Outlook now expects global growth to be at 3.2 percent in 2025 (from an earlier forecast of 3.0%) and moderate to 3.1 percent in 2026. The upward revision in growth for 2025 highlights resilience in global economic activity, broadly subdued inflation globally except in the US and other factors including front loading activities and lower than anticipated tariffs that has provided short-term relief. However, rising US-China trade tensions and the new US industry specific tariffs have heightened global uncertainty, prompting a downgrade of growth forecast for 2026 and highlights medium-term risks for Fiji's economy.

Global commodity prices showed mixed outcomes over the month in September. Sugar prices rose marginally (1.4%) to US16.60 cents per pound at month-end in September underpinned by mixed demand signals and buyer caution. Gold prices surged (10.2% m-o-m), closing at US$3,873.20 per ounce driven by safe-haven demand amid heightened global uncertainty. Meanwhile, global food prices[2] declined marginally (-0.7%) over the month, led by lower dairy, vegetable oils and cereal prices that outweighed the increase noted for meat prices. Brent crude oil prices declined (-1.6%) over the month closing at US$67.02 per barrel due to increased supply and subpar demand. The sustained lower prices over the last few months have eased pressure on Fiji's fuel imports.

Domestically the economy is on track to grow for the fourth consecutive year in 2025 as sectoral performances remain generally positive. Visitor arrivals grew marginally by 0.3 percent to 735,154 in the year to September. This improvement was supported by sustained increases from the US (11.3%), United Kingdom (10.6%) and Pacific Island countries (5.0%), although declines were noted from Australia (-0.6%), New Zealand (-2.8%) and the Asian markets (-9.7%). Similarly, timber production expanded across all categories, with notable increases noted for woodchips (4.5%), sawn timber (1.4%), and mahogany (90.3%) in the year to September. In the same period, electricity generation rose modestly (0.3%) supported by domestic and industrial demand. On the contrary, cane and sugar outputs continued to face challenges, with production falling by 5.1 percent and 18.0 percent respectively (as of 27 October), due to operational challenges and poor cane quality. Mineral water production fell marking a third consecutive annual decline in September (-9.1%) amid weaker US demand, while gold ore production dropped sharply (-25.8%) owing to reduced output by Vatukoula Gold Mines limited (VGML), which has shifted preference to

[1] Includes the IMF, Organisation for Economic Cooperation Development, Asian Development Bank, and Consensus Forecast.

[2] Based on the Food and Agriculture Organisation's food price index.

exports of gold concentrates. VGML's decline more than offset Tuvatu's increased production in the same period.

Labour market conditions continued to ease, as indicated by partial indicators. Job advertisements fell (-10.0%) cumulative to September, reflecting moderating labour demand and this is expected to remain over the near term given the feedback from the August Business Expectations Survey (BES) where majority (60.0%) of businesses expect no change in full-time hiring over the next 6-12 months. Fiji's foreign labour demand also dropped sharply, with approved work permits declining (-86.0%) coupled with a fall (-5.9%) in temporary migration specifically through seasonal employment schemes over the same period. Meanwhile, resident departures[3] declined (-18.6%) up to September, while formal employment registrations (2.3%) and wages (10.7%) rose in the year to August. However, despite easing migration pressures, some sectors still expect worker losses in the medium term as indicated by the August BES results.

Consumption activity remains strong, supported by higher incomes, inward remittances and increased government spending. This is also reflected in the positive retail sentiments in the August Retail Sales Survey (RSS). Partial indicators point to elevated consumer spending, with increases noted in consumption-related loans (31.5%),[4] net Value Added Tax (VAT) collections[5] (1.3%), and increased vehicle registrations (23.9%) for both new and second-hand vehicles up to September. In addition, electricity consumption also grew (1.7%) cumulative to August. The Wholesale, Retail, and Trade (WRT) survey indicated that total sales and service income grew by 4.4 percent to $3.4 billion in the first half of the year,[6] largely driven by higher sale of motor vehicles and increased retail sale of automotive fuels, hardware materials as well as food & non-alcoholic beverages and pharmaceutical products. In addition, businesses expect retail sales to improve further in the current year and in 2026, as per the August RSS. Overall, consumption activity is projected to remain robust, supported by a lower VAT rate and higher disposable incomes.

Partial indicators suggest an improvement in investment activity as business confidence strengthens, supported by an improved investment environment and higher intentions noted for investment in the August BES. This is evident by the increased uptake of construction projects and a moderation in building material prices (-3.2%) in the September quarter. Cumulative to the second quarter, the total value of work put in place rose by an annual 12.0 percent, reflecting higher construction activity across both public and private sectors. Similarly, construction-related imports increased by 5.1 percent to $2.9 billion cumulative to July, signalling stronger construction prospects as businesses plan more investment in machinery and buildings as per the August BES results. However, new investment lending[7] fell by 5.0 percent cumulative to September, driven by lower credit to the real estate (-3.7%) and the building and construction (-16.8%) sectors.

Financial conditions were favourable and continue to support credit activity. Broad money expanded (10.9%) in September, mainly underpinned by higher private sector credit (9.6%) coupled with the rise in foreign reserves. The strong increase in private sector lending was attributed to higher credit flows to the WRHR,[8]

[3] Residents' departure for a period of one year and above for employment, education/training, emigration and others.
[4] Excludes refinancing.
[5] The moderation in net VAT collections comes on the back of the reduction in VAT rate to 12.5% that became effective from August this year.
[6] Cumulative to June
[7] Excluding refinancing.
[8] Wholesale, retail, hotels & restaurant.

real estate, B&C,[9] and the T&S[10] sectors. Ample liquidity in the banking system ($2.3b as of 30/10) has kept interest rates near historical lows which continues to encourage borrowing and investment activity across key sectors.

In September 2025, the Fijian dollar (FJD) appreciated against the New Zealand dollar (NZD) (6.0%), the Australian dollar (AUD) (1.5%) and the Japanese Yen (JPY) (1.1%) but weakened against the Euro (EUR) (-8.0%) and the USD (-3.3%). Over the month, the FJD strengthened against the NZD (1.7%) and the JPY (1.1%) but depreciated against the AUD (-0.8%), the EUR (-0.5%) and the USD (-0.2%).

On the external front, merchandise trade deficit[11] widened by 6.4 percent to $2.6 billion in the year to July, due to higher value increase in imports relative to exports. Imports rose annually (7.0% to $4.1b), driven by machinery & transport equipment, food products & chemicals categories. Exports also grew on a yearly basis (8.0% to $1.5b), supported by higher domestic exports (other commodities, gold, wood chips and kava) which offset the weaker re-exports (mostly mineral fuel and lubricants). Moreover, remittances, on a net basis grew by an annual 2.7 percent in the year to September as inward remittances ($1.0b) outweighed outward remittances ($0.3b).

Price pressures remained muted in September, as the annual headline inflation dropped further to -3.8 percent, from -3.5 percent in August and 3.6 percent in September 2024. This decline reflects the impact of the reduced VAT rate and the implementation of the bus fare subsidy. Lower prices in the food, non-alcoholic beverages, transport, and cooking gas & other fuels categories outweighed increases in the alcoholic beverages, tobacco, miscellaneous goods, and hospitality services. Inflation expectations have also eased, with the August BES indicating that most respondents expect prices to remain low and within the 1.0-3.0 percent range in the short to medium term.

Foreign reserves were adequate, and settled at $3.9 billion at October-end, sufficient to cover approximately 6.1 months of retained imports, and are expected to remain comfortable over the medium term.

Downside risks persist due to global geopolitical tensions and uncertainties from impositions of sector specific US tariffs which may further disrupt supply chains, affect commodity prices, and likely impact Fiji through several channels including trade, tourism and remittances. Domestically, the upcoming cyclone season remains a potential risk which can impact agriculture, infrastructure, tourism related sectors, and overall economic activity.

Given the stable medium-term outlook for inflation and foreign reserves, the Reserve Bank of Fiji Board decided in its October meeting to maintain the Overnight Policy Rate at 0.25 percent.

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[9] Building & construction.
[10] Transport & storage.
[11] Excluding aircraft.

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FIJI: ECONOMIC & FINANCIAL STATISTICS

KEY INDICATORS

	Sep-24	Jun-25	Jul-25	Aug-25	Sep-25
1. Sectoral Performance Indicators *					
(year-on-year % change)					
Visitor Arrivals	6.3	-0.8	-0.4	0.4	0.3
Electricity Production	11.0	0.4	0.04	0.6	0.3
Gold production [1/]	32.3	-24.1	-24.3	-24.8	-25.8
Gold production [2/]	32.3	12.0	14.7	16.1	16.5
Cane Production [3/]	4.7	12.1	4.1	-6.0	-6.0
Sugar Production [3/]	10.8	21.8	-0.2	-13.6	-15.2
Pinewood Production	-32.5	136.0	112.6	100.1	95.0
Woodchip Production	13.1	42.9	9.7	10.6	4.5
Sawn Timber Production	18.2	50.6	26.0	10.7	1.4
Mahogany Production	-0.7	96.4	101.3	102.7	90.3
Cement Production	7.8	-11.8	-8.6	-6.3	n.a
2. Consumption Indicators *					
(year-on-year % change)					
Net VAT Collections	39.7	7.9	5.4	3.3	1.3
New Consumption Lending [4/]	28.0	36.1	35.1	31.2	31.5
Vehicle Registrations	18.1	22.5	22.0	23.9	23.9
New Vehicle Registrations	4.4	31.4	30.1	29.3	29.5
Secondhand Vehicle Registrations	30.2	16.1	16.1	19.9	19.8
Inward Personal Remittances [5/]	6.8	11.5	8.6	6.3	4.3
Outward Personal Remittances	11.2	11.7	7.3	5.3	7.0
Electricity Consumption	9.3	1.8	1.6	1.7	n.a
3. Investment Indicators *					
(year-on-year % change)					
Domestic Cement Sales	9.4	-14.4	-10.1	-6.3	n.a
New Investment Lending [4/]	26.3	-2.7	1.4	4.2	-5.0
Building & Construction					
Completion Certificates Issued					
Number	-47.0	-35.0	n/a	n/a	n.a
Value	-20.0	254.7	n/a	n/a	n.a
Building Permits Issued					
Number	-35.9	15.9	n/a	n/a	n.a
Value	97.7	2.8	n/a	n/a	n.a
Value of work put in place	-7.4	12.0	n/a	n/a	n.a
4. Labour Market					
(year-on-year % change)					
RBF Job Advertisement Survey	-11.3	-9.8	-7.2	-9.4	-10.0
Resident Departure by purpose >1yr above [6/]	-33.3	-23.6	-20.7	-20.9	-18.6
5. Consumer Prices **					
(year-on-year % change) [7/]					
All Items	3.6	-1.2	-1.5	-3.5	-3.8
Food and Non-Alcoholic Beverage	7.8	-2.0	-3.8	-7.6	-8.2
Alcoholic Beverages, Tobacco & Narcotics	5.2	2.5	2.7	3.1	3.0
6. Reserves ***					
(end of period)					
Foreign Reserves ($m) [8/]	3,762.0	3,756.1	3,847.8	3,890.5	3,844.6
Months of retained imports of goods and non-factor services (MORI) [9/]	6.0	5.9	6.0	6.1	6.0
7. Exchange Rates ***					
(End of period, F$1 equals)					
US dollar	0.4529	0.4415	0.4361	0.4385	0.4378
Australian dollar	0.6558	0.6754	0.6775	0.6715	0.6658
New Zealand dollar	0.7147	0.7300	0.7399	0.7452	0.7577
Euro	0.4058	0.3762	0.3823	0.3754	0.3734
Japanese Yen	64.40	63.75	65.19	64.45	65.08
8. Liquidity ***					
(end of period) [10/]					
Banks' Demand Deposits ($m)	2,343.0	2,110.3	2,180.7	2,168.3	2,211.0
9. Money and Credit ***					
(year-on-year % change)					
Broad Money	6.7	8.4	9.4	10.0	10.9
Net Foreign Assets	6.5	17.8	7.3	2.0	2.6
Net Domestic Credit	5.9	6.0	8.8	11.2	11.8
Private Sector Credit	11.2	8.7	9.5	10.1	9.6
Narrow Money	6.7	9.4	10.8	12.9	12.8
10. Interest Rates (%) ***					
(monthly weighted average)					
Overnight Policy Rate [11/]	0.25	0.25	0.25	0.25	0.25
Repurchase Rate [11/]	0.50	0.50	0.50	0.50	0.50
Overnight inter-bank Rate	n.t	n.t	n.t	n.t	n.t
Lending Rate	4.66	4.55	4.58	4.53	4.52
Savings Deposit Rate	0.31	0.31	0.31	0.30	0.31
Time Deposit Rate	1.69	1.73	1.77	1.69	1.64
3 month Government T-Bills	n.i	n.i	n.i	0.20	0.20
12 month Government T-Bills	n.i	n.i	n.i	1.12	1.13
5-year Government Bond Yield	n.i	n.i	n.i	n.i	n.i
10-year Government Bond Yield	n.i	n.i	n.i	n.i	n.i
11. Commodity Prices ****					
(end of period)					
UK Gold Price/fine ounce (US$)	2,659.4	3,307.7	3,348.6	3,516.1	3,873.2
CSCE No. 11 Sugar Spot Price/Global (US cents/pound)	22.5	16.2	16.4	16.4	16.6
Crude Oil/barrel (US$)	71.8	67.6	72.5	68.1	67.0
FAO Food price index ^	124.6	128.1	129.8	129.7	128.8

Note:

[1/] *Excluding gold concentrate*
[2/] *Including gold concentrate*
[3/] *As at 27th October: [Cane: -5.1% & Sugar: -18.0%]*
[4/] *Excludes refinancing*
[5/] *Reflects personal transfers that individuals receive from overseas via mobile money, commercial banks and money transfer operators according to Overseas Exchange Transaction standards, which differ from the Balance of Payments definition.*
[6/] *Resident departure by purpose includes Employment, Education/ Training, Emigration & Others*
[7/] *2019 rebase.*
[8/] *Foreign reserves includes monetary gold, Special Drawing Rights, reserve position in the Fund and foreign exchange assets consisting of currency and deposits actually held by the Reserve Bank. [F$3,899.1m as at Oct-25]*
[9/] *MORI is based on the Macroeconomic Committee forecast as at June 2025. [6.1 as at Oct-25]*
[10/] *Liquidity as at 30th October: F$2,283.4m*
[11/] *Not weighted average.*

m - Millions
n.i - No Issue
n.a - Not Available
n/a - Not Applicable
n.t - No Trading

Sources:
** Various Industry Sources*
*** Fiji Bureau of Statistics*
**** Reserve Bank of Fiji*
***** Bloomberg*
^ Food and Agriculture Organisation (FAO)