



RBF September 2025 ECONOMIC REVIEW

at a glance

International Economy

Global Economy



Global growth gained momentum in August on stronger financial services and manufacturing activity, but risks remain amid softening demand and prolonged tariff truce between the US and China.

Sources: IMF WEO, Jul-25 and S&P Global PMI

Commodity Prices (August-end)

↑
Gold
5.0%

↑
FAO Food Index
0.1%


↑
Sugar
0.1%

↓
Brent Crude Oil
-6.1%


Sources: Bloomberg & FAO

Fijian Economy (Jan-Aug)


Sectoral




Visitor Arrivals
0.4%



Electricity
0.6%




Cane*
-4.3%




Sugar*
-13.4%


* First 15 weeks of crushing week ending 22 September



Mahogany 102.7%
Woodchips 10.6%
Sawn Timber 10.7%




Mineral Water
-5.4%



Gold Ore
-24.8%

Sources: FBoS & Various Industries

Labour Market



Resident departure by purpose - 1yr above


- Employment -30.3%
- Education/Training -14.4%
- Emigration -5.9%

Job Advertisements -9.4%

Foreign labour -83.3%


Sources: FBoS, RBF & Ministry of Immigration

Consumption



- Net VAT Collections: 3.3%
- New Consumption Lending: 31.2%*
- New Vehicle Registrations: 29.3%
- Second-hand Vehicle Registrations: 19.9%

Investment




- New Investment Lending: 4.2%*
- Cement Sales -6.3%
- Value of Building Permits Issued: 2.8**


* Excluding refinancing
** Cumulative to Jun-2025

Sources: FRCS, RBF & Various Industries


Financial Conditions (Aug)



Liquidity (29/09)
\$2.2 billion




Broad Money
10.0%



Private Sector Credit
10.1%

Source: RBF

External Sector




Merchandise Trade (Jan-Jun)

Export: 13.5%

Import: 5.2%

Trade Deficit: 0.9%



Remittances (Jan-Aug)


Inward Remittances: 6.3%

Outward Remittances: 5.3%

Sources: FBoS, RBF

Monetary Policy Objectives

Foreign Reserves




\$3.8 billion (30/09)

6.0 MORI

Source: RBF


Headline Inflation (2019 Rebase)




Annual


Source: FBoS


Overnight Policy Rate





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

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ECONOMIC REVIEW

The inclusion of news items in this review does not imply endorsement of the accuracy of the information nor agreement with views expressed.

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Month Ended September 2025

Global business activity gained momentum in August driven by stronger demand for financial services as well as the gains in manufacturing activity.¹ However, the outlook remains subdued as forward-looking indicators point to persistent weakness as both the future output sentiments and new export orders remain below their historical averages.

Trade policy uncertainty has eased somewhat after the United States (US) enacted bilateral agreements and unilateral tariff measures following the 31 July trade negotiation deadline. Additionally, the US and China have extended their tariff truce by 90 days beyond the original 12 August deadline, providing additional time to work towards finalising a comprehensive long-term trade agreement.

Moreover, geopolitical tensions remain elevated. The ongoing conflict in the middle east, highlighted by Israel's recent attacks targeting Hamas leadership in Qatar has raised further concerns over regional stability. Meanwhile, the Russia-Ukraine situation continues to intensify, further contributing to global uncertainty. The European Union is also considering secondary sanctions for buyers of Russian oil, similar to those imposed by the US on India.

Global commodity prices generally rose in August except for Brent crude oil. Brent crude oil price settled lower on an annual (-13.6%) and monthly (-6.1%) basis due to weaker US demand and OPEC+'s² strategy aimed at boosting supply. Gold prices remained elevated both over the month (5.0%), and year (39.1%), supported by demand for the safe-haven asset amid heightened geopolitical tensions. Sugar prices edged up over the month (0.1%), due to lower production and yields in Brazil and stronger import demand from Pakistan. Global food prices, based on the FAO³ food price index, also increased marginally (0.1%) over the month, as lower cereal and dairy prices were offset by gains in prices for meat, sugar, and vegetable oils.

Domestically, the Fiji Bureau of Statistics recently released updated Gross Domestic Product growth rates for Fiji using the new 2019 base. Provisional numbers show that the Fijian economy grew by 3.5 percent in 2024 following a revised growth of 9.4 percent in 2023. Growth in 2024 was mainly driven by activities in the services as well as agriculture and manufacturing sectors. While the economy is on track to achieve a 3.2 percent⁴ growth this year, sectoral performances remain mixed due to

¹ Based on the Purchasing Managers' Index (PMI) data produced by Standard & Poor's Global Market Intelligence.

² Organisation of the Petroleum Exporting Countries Plus.

³ Food and Agriculture Organisation.

⁴ As per the Macroeconomic Committee's June forecast and is based on the 2014 GDP base.

industry specific issues. Visitor arrivals rebounded in the year to August, registering a 0.4 percent annual increase (to 642,810) following consecutive cumulative declines since February. The positive outcome was driven mainly by higher arrivals from the US (11.2%), Pacific Island Countries (6.6%), the United Kingdom (13.0%) and Europe (8.0%). The turnaround was further supported by a recovery in key source markets (Australia and New Zealand) in August when compared to the corresponding period last year.

In contrast, cane (-4.3%) and sugar (-13.4%) production declined as of 22 September due to constrained supply and poor cane quality. Similarly, mineral water production fell cumulative to August (-5.4%) mostly attributed to lower demand from key markets and maintenance work undertaken at a major production facility. During the same period, gold ore production declined further (-24.8%), underpinned by reduced output from the Vatukoula Gold Mines Limited (VGML), which shifted its operational focus toward the exports of gold concentrates. The decline from VGML more than offset Tuvatu's upbeat production in the review period. On the other hand, timber production continues to register growth across all categories, with notable increases in woodchips (10.6%), sawn timber (10.7%), and mahogany (102.7%) in the year to August. In the same period, electricity generation grew marginally (0.6%) driven by higher demand from domestic and industrial users.

Labour market conditions continue to ease, as evidenced by a softening in hiring activity. Overall, job advertisements fell (-9.4%) up to August, indicating that more vacant positions were filled and partly mirroring the 2.5 percent increase in the number of registered employees

with the Fiji National Provident Fund in the year to July. Demand for foreign labour also declined during the same period, reflected in the reduced number of approved work permits (-83.3%) largely from the Asia-Pacific region. Additionally, resident departures⁵ for employment (-30.3%), education and training (-14.4%), and emigration (-5.9%) categories also contracted cumulative to August.

Consumption activity remained strong so far into the year fuelled by higher disposable income and steady remittance inflow. In the year to August, net Value Added Tax (VAT) collections (3.3%), total vehicle registrations (23.9%) including for both new (29.3%) and second-hand (19.9%) vehicles, consumption-related loans (31.2%),⁶ and electricity consumption (1.7%) all grew over the year. In the months ahead, consumption activity could strengthen further, supported by a reduced VAT rate and improved disposable income.

Partial indicators suggest some improvements in investment activity. New investment loans⁷ rose (4.2%) in the year to August, led by higher lending to the real estate sector and households for investment homes. Similarly, domestic cement sales in August alone was higher over the month (5.0%) and year (17.4%), while it still noted a contraction on a cumulative basis (-6.3%) as a result of the mill closure by Pacific Cement Limited between March and June.⁸ In turn, construction related imports (2.4%) particularly for industrial related inputs gained annual demand traction in the year to June. Moreover, building permits issued⁹ cumulative to June points to an increased uptake of projects, as both the number (15.9%) and value (2.8%) of permits issued rose. This outcome is on the back of improved labour supply as well as reduced

⁵ Residents' departure for a period of one year and above.

⁶ Excludes refinancing.

⁷ Excluding refinancing.

⁸ Pacific Cement Limited had suspended cement production in mid-March following a mill breakdown. Operations resumed after 3 months in mid-June.

⁹ A forward-looking indicator for construction activity.

prices noted for building materials (-3.2%) in the third quarter.

Buoyant credit appetite in August was aided by favourable financial conditions. Broad money (10.0%) maintained its expansionary path, driven by increased credit to the private sector (10.1%) coupled with the rise in foreign reserves (FR). Sustained growth in outstanding lending activity (12.2%) was supported by ample liquidity in the banking system (\$2.2b as of 29/09) and a low-interest rate environment.

In August 2025, the Fijian dollar (FJD) appreciated annually against the New Zealand dollar (NZD) (3.8%) and the Australian dollar (AUD) (1.6%) but weakened against the Euro (EUR) (-7.4%), the United States Dollar (USD) (-2.4%) and the Japanese Yen (JPY) (-1.0%). Over the month, the FJD strengthened against the NZD (0.7%) and the USD (0.6%) but depreciated against the EUR (-1.8%), the JPY (-1.1%), and the AUD (-0.9%).

On the external front, merchandise trade deficit¹⁰ widened by 0.9 percent cumulative to June, as the growth in the value of imports (\$168.6m) outpaced the growth in exports (\$149.1m). The outcome in exports was mostly due to the increase in gold-related exports and re-exports of aviation fuel while higher demand for machinery & transport equipment, especially road vehicles, as well as chemical and food products drove the increase in imports.

Tourism earnings bounced back in the second quarter of 2025, registering a 2.3 percent growth cumulative to June. The annual outcome was mainly driven by higher per diems from holiday (10.3%) and education and training (10.0%) which outweighed the decline in the average length of stay (-6.9%) and visitor arrivals (-0.8%).¹¹ Similarly, inward remittances grew by

an annual 6.3 percent in the year to August, with majority of the funds remitted via the mobile money channel. Over the same period, outward remittances also increased (5.3%), with majority of the outflows being transfers by emigrants and non-residents to meet commitments in their home country.

The annual headline inflation dropped further to -3.5 percent in August,¹² mostly reflecting the VAT rate reduction impact on applicable items in the Consumer Price Index basket, along with the bus fare subsidy that came into effect on 1 August. Lower prices were recorded for the food & non-alcoholic beverages, transport, cooking gas and other fuels categories which outweighed annual price increases in the alcoholic beverages, narcotics & tobacco and the restaurants & hotels categories.

Foreign reserves (FR) holdings settled at around \$3.8 billion in September, sufficient to cover 6.0 months of retained imports and is expected to stay adequate in the medium term.

Downside risks to the outlook persist due to the ongoing geopolitical tensions globally which can disrupt supply chains, impact global commodity prices and can potentially impact Fiji through the tourism, remittance and trade channels. Domestically, the approaching cyclone season adds further downside risk, with potential disruptions to infrastructure, agriculture and economic activity.

Given that the outlook for RBF's twin monetary policy objectives remain intact, the RBF Board decided to maintain the Overnight Policy Rate at 0.25 percent in its September meeting.

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¹⁰ Excluding aircraft.

¹¹ Visitor arrivals declined in the year to June this year.

¹² This is under the 2019 base. Under the 2014 base, the inflation rate was recorded at -2.1 percent in August.

FIJI: ECONOMIC & FINANCIAL STATISTICS

KEY INDICATORS

1. Sectoral Performance Indicators *
(year-on-year % change)

	Aug-24	May-25	Jun-25	Jul-25	Aug-25
Visitor Arrivals	6.9	-1.0	-0.8	-0.4	0.4
Electricity Production	11.0	0.1	0.4	0.04	0.6
Gold production ^{1/}	30.3	-16.5	-24.1	-24.3	-24.8
Gold production ^{2/}	n/a	17.3	12.0	14.7	16.1
Cane Production	18.3	n/a	12.1	4.1	-6.0
Sugar Production	26.6	n/a	21.8	-0.2	-13.6
Pinewood Production	-33.1	159.8	136.0	112.6	100.1
Woodchip Production	5.7	70.9	42.9	9.7	10.6
Sawn Timber Production	14.5	79.4	50.6	26.0	10.7
Mahogany Production	-8.0	91.7	96.4	101.3	102.7
Cement Production	6.5	-26.6	-11.8	-8.6	-6.3

2. Consumption Indicators *
(year-on-year % change)

Net VAT Collections	46.1	8.2	7.9	5.4	3.3
New Consumption Lending ^{3/}	28.9	52.8	36.1	35.1	31.2
Vehicle Registrations	18.2	24.1	22.5	22.0	23.9
<i>New Vehicle Registrations</i>	6.4	29.5	31.4	30.1	29.3
<i>Secondhand Vehicle Registrations</i>	28.6	20.1	16.1	16.1	19.9
Inward Personal Remittances ^{4/}	5.8	14.5	11.5	8.6	6.3
Outward Personal Remittances	17.8	11.8	11.7	7.3	5.3
Electricity Consumption	10.1	1.5	1.8	1.6	1.7

3. Investment Indicators *
(year-on-year % change)

Domestic Cement Sales	6.8	-14.6	-14.4	-10.1	-6.3
New Investment Lending ^{3/}	19.3	-3.7	-2.7	1.4	4.2
Building & Construction					
Completion Certificates Issued					
Number	n/a	n/a	-35.0	n/a	n/a
Value	n/a	n/a	254.7	n/a	n/a
Building Permits Issued					
Number	n/a	n/a	15.9	n/a	n/a
Value	n/a	n/a	2.8	n/a	n/a
Value of work put in place	n/a	n/a	12.0	n/a	n/a

4. Labour Market
(year-on-year % change)

RBF Job Advertisement Survey	-5.2	-9.5	-9.8	-7.2	-9.4
Resident Departure by purpose >1yr above ^{5/}	-31.9	-27.0	-23.6	-20.7	-20.9

5. Consumer Prices **
(year-on-year % change)^{6/}

All Items	3.8	-1.4	-1.2	-1.5	-3.5
Food and Non-Alcoholic Beverage	7.6	-3.3	-2.0	-3.8	-7.6
Alcoholic Beverages, Tobacco & Narcotics	4.0	2.1	2.5	2.7	3.1

6. Reserves ***
(end of period)

Foreign Reserves (\$m) ^{7/}	3,717.8	3,600.7	3,756.1	3,847.8	3,890.5
Months of retained imports of goods and non-factor services (MORI) ^{8/}	5.9	5.6	5.9	6.0	6.1

7. Exchange Rates ***
(End of period, FSI equals)

US dollar	0.4492	0.4374	0.4415	0.4361	0.4385
Australian dollar	0.6607	0.6804	0.6754	0.6775	0.6715
New Zealand dollar	0.7176	0.7335	0.7300	0.7399	0.7452
Euro	0.4055	0.3872	0.3762	0.3823	0.3754
Japanese Yen	65.12	63.35	63.75	65.19	64.45

8. Liquidity ***
(end of period)

Banks' Demand Deposits (\$m)	2,226.6	1,986.5	2,110.3	2,180.7	2,168.3
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9. Money and Credit ***
(year-on-year % change)

Broad Money	6.8	7.2	8.4	9.4	10.0
Net Foreign Assets	0.5	19.3	17.8	7.3	2.0
Net Domestic Credit	6.5	4.6	6.0	8.8	11.2
Private Sector Credit	11.3	9.7	8.7	9.5	10.1
Narrow Money	5.1	8.5	9.4	10.8	12.9

10. Interest Rates (%) ***
(monthly weighted average)

Overnight Policy Rate ^{10/}	0.25	0.25	0.25	0.25	0.25
Repurchase Rate ^{10/}	0.50	0.50	0.50	0.50	0.50
Overnight inter-bank Rate	n.i	n.i	n.i	n.i	n.i
Lending Rate	4.58	4.55	4.55	4.58	4.53
Savings Deposit Rate	0.30	0.31	0.31	0.31	0.30
Time Deposit Rate	1.66	1.74	1.73	1.77	1.69
3 month Government T-Bills	0.10	0.20	n.i	n.i	0.20
12 month Government T-Bills	1.14	1.16	n.i	n.i	1.12
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\$)	2,527.6	3,315.4	3,307.7	3,348.6	3,516.1
CSCE No. 11 Sugar Spot Price/Global (US cents/pound)	19.4	17.1	16.2	16.4	16.4
Crude Oil/barrel (US\$)	78.8	63.9	67.6	72.5	68.1
FAO Food price index ^	121.7	127.1	128.1	130.0	130.1

Note:^{1/} Excluding gold concentrate^{2/} Including gold concentrate^{3/} Excludes refinancing^{4/} 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

^{5/} Resident departure by purpose includes Employment, Education/ Training, Emigration & Others^{6/} 2019 rebase.^{7/} 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.^{8/} MORI is based on the Macroeconomic Committee forecast as at June 2025.^{9/} Methodology is currently under review.^{10/} 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)