# RESERVE BANK OF FIJI

*Progressive and Resilient Central Bank, Trusted by Our People*

# PRESS RELEASE


| | | | |
|---|---|---|---|
| **Press Release No.** | **: 24/2025** | **Telephone** | **: (679) 331 3611** |
| **Date** | **: 19 November 2025** | **Email** | **: info@rbf.gov.fj** |


## STATEMENT BY THE CHAIRMAN OF THE MACROECONOMIC COMMITTEE[1] AND GOVERNOR OF THE RESERVE BANK OF FIJI

## REVISIONS TO THE MACROECONOMIC PROJECTIONS FOR THE FIJIAN ECONOMY (2025-2028)

The Fijian economy is on track to grow for the fourth consecutive year in 2025 by 3.4 percent, following a 3.5 percent expansion in 2024. The growth forecast is revised up marginally from the 3.2 percent projected earlier in June and is based on the latest available data and information.

The Chairman of the Macroeconomic Committee and Governor of the Reserve Bank of Fiji, Mr Ariff Ali stated that, "the economic backdrop has shifted since the last Macroeconomic Committee meeting. On the external front, the US tariff concerns that were initially expected to weigh heavily on Fijian exports have somewhat eased through constructive dialogue and engagement with the US Trade Representatives, with a lower 15 percent tariff imposed instead of the 32 percent anticipated earlier, providing some relief to exporters in Fiji." The International Monetary Fund, in its October World Economic Outlook also upgraded the global growth forecast for 2025 to 3.2 percent from the previous forecast of 3.0 percent in July.

Domestically, economic projections have been updated to reflect the 2019 GDP base, released by the Fiji Bureau of Statistics in September 2025. The update replaces earlier forecasts calculated under the 2014 base. The rebasing exercise is a critical process as it integrates changes in economic structure, evolving consumption patterns, and emerging industries since 2014, ensuring more accurate and relevant estimates for policy formulation.

In addition, data up to the ten months of the year have been generally positive. Consumption activity remains strong, sustained by higher incomes, remittances and Government spending. The recent reduction in the Value Added Tax rate has helped ease costs for consumers. The investment climate is improving, evidenced by an increase in the uptake of private and public sector construction projects reflected in the increased number and value of building permits issued, higher value of work done, and increased lending, supported by an accommodative monetary policy stance.

Aligned with developments to date, some sectors are expected to note higher growth relative to earlier expectations. Growth in the forestry & logging sector has been revised upward driven by higher output from the timber industry, especially for pine and mahogany. The growth rate for the public administration sector has been upgraded arising from the salary increment announced in the 2025-2026 National Budget, while stronger consumption/retail activity and higher vehicle sales have also lifted expectations for the wholesale & retail trade sector. In addition, construction sector growth has been revised upward following a notable pickup in activity from the second quarter.

[1] The Macroeconomic Committee is made up of heads and senior representatives from the Ministry of Finance; Fiji Bureau of Statistics; Ministry of Commerce and Business Development, Ministry of Tourism and Civil Aviation, Office of the Prime Minister; Investment Fiji; Fiji Revenue & Customs Service and the Reserve Bank of Fiji.

Visitor arrivals have recovered following a decline in the first quarter. Based on current trends, Fiji is on track to achieve a third consecutive year of record visitor arrivals in 2025. On the downside, the ongoing challenges in the sugar industry have resulted in a downward revision of cane and sugar output for the 2025 crushing season. Similarly, the fishing sector is now forecast to decline due to changing weather patterns and declining stock while the electricity, information & communication and real estate sectors are expected to grow, albeit at a slower pace than earlier anticipated.

For the outer years (2026-2028), a broad-based forecast of 3.0 percent is projected, with the economy returning to its long-term growth trajectory. Over this period, the service sectors are projected to remain the main drivers of growth, supported by contributions from the industrial and primary sectors.

Mr Ali cautioned that, "although signs of improvement are evident this year, downside risks to the outlook remain. Global uncertainties, softer tourism activity, and structural challenges remain key vulnerabilities. As the cyclone season unfolds, heightened risks of severe weather events pose additional threats to economic activity, particularly in agriculture and infrastructure."

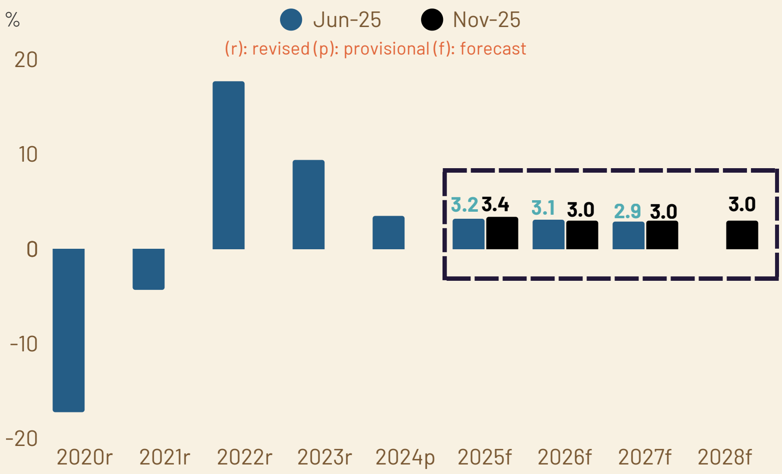
The Macroeconomic Committee will continue to monitor global and domestic developments and review the macroeconomic projections in the second quarter of 2026.

**ARIFF ALI**
**<u>Chairman of the Macroeconomic Committee</u>**

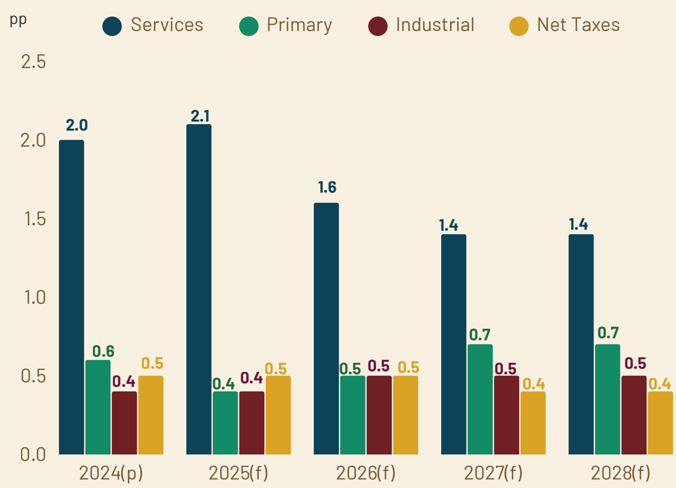
# Fiji's Economy

Real GDP growth for 2025 has been revised upward based on the latest global and domestic developments as well as industry feedback and data

## Revision to Growth




Sources: Fiji Bureau of Statistics & Macroeconomic Committee




## Contributors to Growth

Major contributors to the 3.4% growth in 2025 (in pp)


0.7pp
Public Admin


0.5pp
Wholesale & Retail

0.3pp
Finance & Insurance

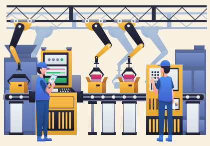
0.3pp
Agriculture


0.2pp
Construction

0.2pp
Transport & storage

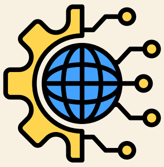
0.1pp
Forestry

0.1pp
Mining & Quarrying



0.1pp
Manufacturing


0.1pp
Accommodation



0.1pp
Information & Communication

0.1pp
Professional

0.3pp
Others**


0.5pp
Net Taxes

**Fishing, Electricity, Water, Real Estate, Administrative, Health, Education, Arts, Other services

## Risks to the Outlook

### UPSIDE

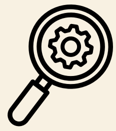
Introduction of new routes/ additional flights

Slowdown in resident departures

uptick in investment Projects

### DOWNSIDE

Geopolitical & Trade uncertainty



Regulatory delays affecting investment

Climate change & Natural disasters

Commodity price volatility

Skills shortages


Rising social issues


General elections