



International Economy

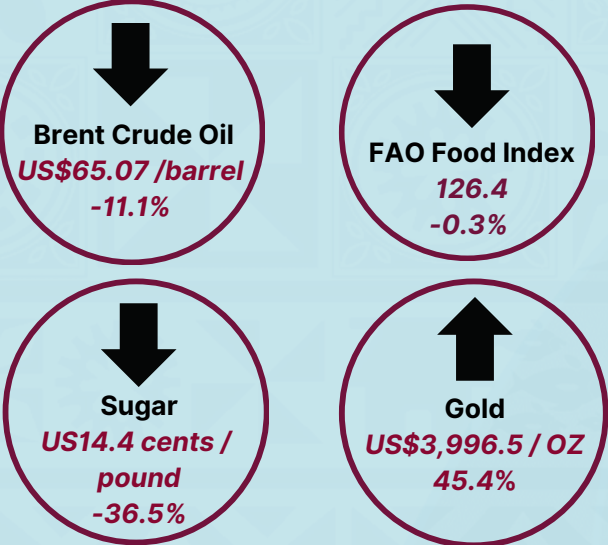
Global Economy



Global business activity maintained modest expansion in the latter part of the year despite subdued business confidence and decline in new export orders.

Source: J.P. Morgan Global Composite PMI

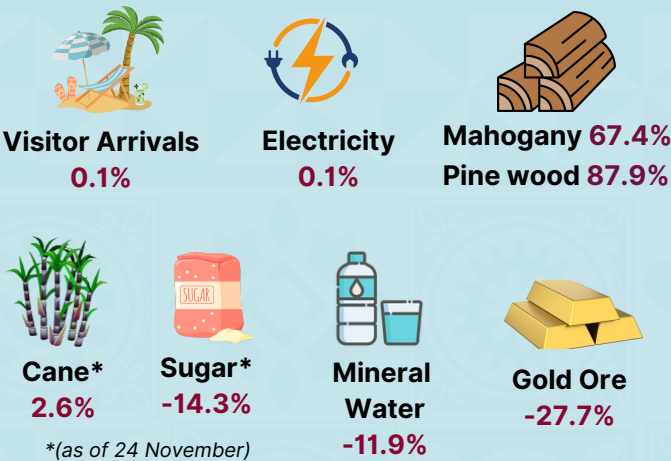
Commodity Prices : Oct end (y-o-y)



Sources: Bloomberg & FAO

Fijian Economy (Jan-Oct)

Sectoral



Sources: FBoS & Various Industries

Labour Market



Resident departure (1yr above): - 13.9%

Job Advertisements: -6.4%

Approved Work Permits: -86.6%

Sources: FBoS, RBF & Ministry of Immigration

Consumption

-
- Net VAT Collections 0.5%
 - New Consumption Lending: 28.5%*
 - Vehicle Registrations 23.2%**
 - PAYE Tax: 14.5%

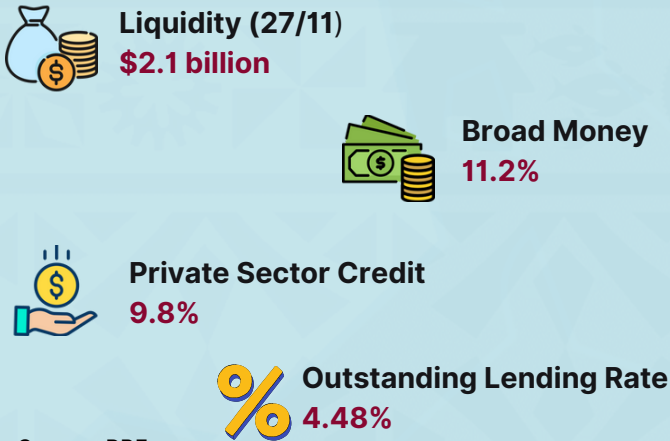
Investment

-
- New Investment Lending: -1.1%*
 - Construction-related Imports (Jan-Sep): 5.6%

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

Sources: FRCS, RBF & Various Industries

Financial Conditions



Source: RBF

External Trade (Jan-Sep)



Source: FBoS

Risks to the Outlook



- Global risks:
- Current geopolitical and trade tensions
 - Fragile global growth outlook could impact tourism and exports demand for Fiji
- Domestic risks:
- Structural challenges in key sectors
 - Rising social issues
 - Onset of cyclone season pose additional vulnerabilities

Monetary Policy Objectives

Foreign Reserves

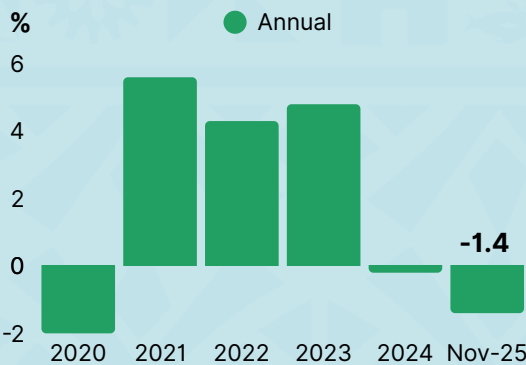


\$3.9 billion (28/11)

5.8 MORI

Source: RBF

Headline Inflation



Source: FBoS

Overnight Policy Rate



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



RESERVE BANK OF FIJI

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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No. 11

Month Ended November 2025

Global business activity maintained its momentum in the latter part of the year despite subdued business confidence and global trade contraction. The overall expansion was largely driven by the services sector, while the manufacturing sector only posted modest growth, with both sectors benefitting from stronger domestic demand. The easing of United States (US)-China trade tensions marked by agreements on tariffs and critical minerals, the rollback of US reciprocal tariffs on more than 200 food products,¹ and the end of the US government shutdown - bodes well for both investor and consumer confidence. However, escalating tensions between two of Asia's major powers (Japan and China) pose risks of supply chain disruptions, while talks of possible resumption of nuclear testing by the US and Russia could heighten global security concerns. Meanwhile, the US proposal for Gaza peace stabilisation force received formal endorsement at the United Nations Security Council meeting, and renewed diplomatic engagements have brought Ukraine-Russia peace negotiations back to the forefront of international discussions.

Commodity prices fell over the month in October, except for gold prices which maintained its upward trajectory. Brent crude oil prices contracted over the month (-2.9%) and year (-11.1%) in October, settling at US\$65.07 per barrel at month-end, as increased supply from the Organisation for the Petroleum Exporting Countries and its allied

countries'(OPEC+) exerted downward pressure on crude oil prices, outweighing concerns over potential supply disruptions from the US sanctions on Russian oil. Similarly, global food prices dipped over the month (-1.6%) and remained lower over the year (-0.3%), as ample global supplies drove down prices for cereals, dairy, and meat while vegetable oils recorded a slight increase. Sugar prices also noted a decline both over the month (-13.1%) and year (-36.5%) to US14.4 cents per pound, driven by improved cane supply prospects from Brazil, Thailand and India. On the contrary, gold prices continued its upward trajectory, closing at US\$3,996.50 per ounce at the end of October (an increase of 3.2% over the month and 45.4% over the year) as prices were held up due to heightened global uncertainty stemming from the US government shutdown, persistent geopolitical tensions and strong demand for the safe-haven asset including central bank buying.

Domestically, the Fijian economy is projected to record its fourth consecutive year of growth in 2025, expanding by 3.4 percent following a 3.5 percent increase in 2024.² This outlook is in line with upbeat consumption activity, an improving investment climate, sustained government spending and generally positive indicators for the first ten months of the year.

Visitor arrivals rose by a marginal 0.1 percent (to 823,409 visitors) in the year to October,

¹ Includes commodities that the US does not produce domestically or in sufficient quantities, such as, beef, tomatoes, coffee, bananas, taro and turmeric.

² The 3.4 percent growth for this year is an upward revision from the 3.2 percent projected earlier in June.

supported by sustained growth in tourist arrivals from the United States, Pacific Islands, the United Kingdom and Continental Europe which offset the subdued outturn from traditional markets of Australia and New Zealand.

Sectoral outcomes remained broadly positive despite persistent industry-specific challenges. In the year to October, timber output surged, with mahogany (67.4%) and pine wood (87.9%) production recording strong growth, supported by favourable weather conditions that enabled increased harvesting. Electricity production also rose slightly (0.1%) driven by increase in energy demand (2.2%) from industrial and domestic customers. In contrast, mineral water output declined (-11.9%), largely reflecting weaker demand from the US. Gold ore production also contracted (-27.7%) as Vatukoula Gold Mines Limited shifted its preference to exports of gold concentrates, however, Tuvatu Gold Mine recorded an increase in ore production (25.9%). Similarly, total sugar (-14.3%) production fell up to week ending 24 November despite the increase in cane supply (2.6%), largely due to poor cane quality, operational challenges and unfavourable weather conditions.³

Labour market conditions continue to depict signs of easing, although sector-specific challenges persist. On the demand side, job advertisements declined (-6.4%) cumulative to October indicating a moderation in labour demand as vacancies continue to be filled⁴ and partly reflected in the formal employment registrations with the Fiji National Provident Fund, which rose by 1.8 percent up to September. On the supply front, temporary migration under seasonal worker schemes contracted by 5.0 percent, while resident departures for one year and above declined by 13.9 percent over the same period.⁵ Demand for foreign labour also fell, reflected in the reduced

number of approved work permits (-86.6%) up to October.

Consumption expenditure continues to be supported by higher incomes and remittance inflows, while lower Value Added Tax (VAT) rate helped sustain demand, as reflected in partial indicators. New bank lending for consumption (excluding refinancing), a key leading indicator of consumption activity, increased by 28.5 percent up to October, largely attributed to the wholesale, retail, hotels & restaurants (WRHR) sector. Meanwhile, net VAT collections rose by a marginal 0.5 percent over the same period, down from 1.3 percent in September, reflecting the impact of the lower VAT rate. Vehicle registrations by the Land Transport Authority also grew (23.2%)⁶ with increases noted for both new (28.3%) and second-hand (19.6%) vehicles in the ten months to October. Similarly, Pay-As-You-Earn (PAYE) tax collections, an indicator for income, recorded a strong growth of 14.5 percent cumulative to October, in line with the increase in wages paid (10.2% cumulative to September). Steady remittance inflows (4.3% cumulative to September), and continued government spending also helped sustain consumption spending.

The investment environment has noted improvements as reflected by partial indicators. Both private and public sector construction projects have gained momentum, complemented by increased investment in the retail and industrial space. This is largely mirrored in construction-related imports, which grew by 5.6 percent up to September, driven by higher demand for specialised industrial goods (14.2%), iron and steel products (14.6%), other manufactured metals (7.4%), and prefabricated building components and materials (47.3%). However, new investment lending dipped (-1.1%) up to October underpinned by reduced lending to the building & construction sector (-

³ Unfavourable weather conditions were mostly faced in Labasa

⁴ Job advertisements data are currently sourced from Fiji Sun and Fiji Times only.

⁵ Residents' departure for employment, education/training, emigration and others.

⁶ Including Government.

12.8%) which outweighed increased lending to the real estate sector (1.5%) and private individuals (17.4%).

Financial conditions remained accommodative. Broad money expanded (11.2%) in October driven by higher credit to both the private sector (9.8%)⁷ and central Government (3.3%).⁸ Banking system liquidity remained sufficient, at around \$2.1 billion (27/11), which aided in keeping interest rates low, with outstanding lending rate falling to a historical low of 4.48 percent in October.

In October 2025, the Fijian dollar (FJD) depreciated against all the basket currencies annually with the exception of the New Zealand dollar (NZD) (3.4%) with the largest weakening against the Euro (EUR) (-6.8%) followed by the United States Dollar (USD) (-0.7%), the Australian dollar (AUD) (-0.4%) and the Japanese Yen (JPY) (-0.2%). In contrast, the FJD strengthened against most currencies over the month including the JPY (3.2%), the EUR (1.0%) and the NZD (0.3%) while it weakened against the USD (-0.4%). The monthly movement against the AUD remained largely unchanged.

On the external sector, the merchandise trade deficit widened by 11.6 percent in the year to September, compared to a 5.6 percent narrowing in the same period last year. This annual outturn was driven by strong growth in imports (+7.4%) and a slowdown in exports growth (+0.5%). Growth was noted for all import categories, except for mineral fuel, with machinery and transport equipment, (particularly road vehicles), food and live animals, manufactured goods, and chemical related products as major

contributors. On the other hand, the marginal annual gain in exports were largely driven by higher export receipts from gold related products, woodchips, and kava. However, the decline in re-exports of mineral fuel and domestic exports of sugar and mineral water weighed largely on export growth.

Price pressures remained muted, with headline inflation holding in negative territory at -1.4% in November, from -0.5 percent in November last year. According to the Fiji Bureau of Statistics, this outcome was driven by lower prices recorded for the food & non-alcoholic beverages, transport, cooking gas and fuel categories, which outweighed price increases in the alcoholic beverages & narcotics, restaurants & hotels, and miscellaneous goods & services categories.

Foreign reserves level remained adequate at \$3.9 billion (28/11), sufficient to cover 5.8 months of retained imports, and are expected to remain comfortable over the medium term.

Downside risks to the outlook persist. Globally, current geopolitical and trade tensions, as well as the fragile global growth outlook could impact tourism and exports demand for Fiji. Domestically, structural challenges in key sectors, rising social issues, and the onset of the cyclone season pose additional vulnerabilities.

Given the stable outlook for inflation and foreign reserves over the medium-term, the Reserve Bank of Fiji maintained its Overnight Policy Rate at 0.25 percent.

RESERVE BANK OF FIJI

⁷ Mainly to the real estate, wholesale, retail hotels & restaurants and households' sector.

⁸ Other depository corporations' investment in Government bonds and treasury bills.

Fiji: ECONOMIC & FINANCIAL STATISTICS					
Vol.43 No.11 2025					
KEY INDICATORS					
	Oct-24	Jul-25	Aug-25	Sep-25	Oct-25
1. Sectoral Performance Indicators * (year-on-year % change)					
Visitor Arrivals	6.5	-0.4	0.4	0.3	0.1
Electricity Production	11.6	0.04	0.6	0.3	0.1
Gold production ^{1/}	37.1	-24.3	-24.8	-25.8	-27.7
Gold production ^{2/}	37.1	14.7	16.1	16.5	14.0
Cane Production ^{3/}	0.8	4.1	-6.0	-6.0	-2.9
Sugar Production ^{3/}	6.4	-0.2	-13.6	-15.2	-16.9
Pinewood Production	-34.9	112.6	100.1	95.0	87.9
Woodchip Production	10.0	9.7	10.6	4.5	2.5
Sawn Timber Production	20.8	26.0	10.7	1.4	2.0
Mahogany Production	-7.7	101.3	102.7	90.3	67.4
Cement Production	9.1	-8.6	-6.3	-5.0	-2.6
2. Consumption Indicators * (year-on-year % change)					
Net VAT Collections	34.6	5.4	3.3	1.3	0.5
New Consumption Lending ^{4/}	33.9	35.1	31.2	31.5	28.5
Vehicle Registrations	19.8	22.0	23.9	23.9	23.2
New Vehicle Registrations	5.7	30.1	29.3	29.5	28.3
Secondhand Vehicle Registrations	32.4	16.1	19.9	19.8	19.6
Inward Personal Remittances ^{5/}	6.6	8.6	6.3	4.3	n.a
Outward Personal Remittances	9.0	7.3	5.3	7.0	n.a
Electricity Consumption	8.9	1.6	1.7	2.3	2.2
3. Investment Indicators * (year-on-year % change)					
Domestic Cement Sales	11.2	-10.1	-6.3	-3.7	-2.1
New Investment Lending ^{4/}	25.0	1.4	4.2	-4.9	-1.1
Building & Construction					
Completion Certificates Issued					
Number	n/a	n/a	n/a	n.a	n/a
Value	n/a	n/a	n/a	n.a	n/a
Building Permits Issued					
Number	n/a	n/a	n/a	n.a	n/a
Value	n/a	n/a	n/a	n.a	n/a
Value of work put in place	n/a	n/a	n/a	n.a	n/a
4. Labour Market (year-on-year % change)					
RBF Job Advertisement Survey	-14.0	-7.2	-9.4	-10.0	-6.4
Resident Departure by purpose >1yr above	-35.3	-20.7	-20.9	-18.6	-13.9
5. Consumer Prices ** (year-on-year % change) ^{7/}					
All Items	2.2	-1.5	-3.5	-3.8	-3.4
Food and Non-Alcoholic Beverage	7.8	-3.8	-7.6	-8.2	-8.4
Alcoholic Beverages, Tobacco & Narcotics	3.8	2.7	3.1	3.0	3.9
6. Reserves *** (end of period)					
Foreign Reserves (\$m) ^{8/}	3,857.9	3,847.8	3,890.5	3,844.6	3,900.3
Months of retained imports of goods and m	6.1	6.0	6.1	6.0	6.1
7. Exchange Rates **** (End of period, FSI equals)					
US dollar	0.4390	0.4361	0.4385	0.4378	0.4361
Australian dollar	0.6680	0.6775	0.6715	0.6658	0.6655
New Zealand dollar	0.7349	0.7399	0.7452	0.7577	0.7596
Euro	0.4043	0.3823	0.3754	0.3734	0.3770
Japanese Yen	67.34	65.19	64.45	65.08	67.19
8. Liquidity *** (end of period) ^{10/}					
Banks' Demand Deposits (\$m)	2,413.1	2,180.7	2,168.3	2,211.0	2,241.1
9. Money and Credit *** (year-on-year % change)					
Broad Money	7.4	9.4	10.0	10.9	11.2
Net Foreign Assets	8.5	7.3	2.0	2.6	3.4
Net Domestic Credit	5.9	8.8	11.2	11.8	12.3
Private Sector Credit	10.9	9.5	10.1	9.6	9.8
Narrow Money	7.6	10.8	12.9	12.8	9.9
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	4.65	4.58	4.53	4.52	4.48
Savings Deposit Rate	0.30	0.31	0.30	0.31	0.30
Time Deposit Rate	1.68	1.77	1.69	1.64	1.61
3 month Government T-Bills	0.15	n.i	0.20	0.20	0.20
12 month Government T-Bills	1.14	n.i	1.12	1.13	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\$)	2,749.3	3,348.6	3,516.1	3,873.2	3,996.5
CSCE No. 11 Sugar Spot Price/Global (US	22.7	16.4	16.4	16.6	14.4
Crude Oil/barrel (US\$)	73.2	72.5	68.1	67.0	65.1
FAO Food price index ^{6/}	126.9	129.8	129.8	128.5	126.4
<i>Note:</i> ^{1/} Excluding gold concentrate ^{2/} Including gold concentrate ^{3/} As at 24th November: [Cane: 2.6% & Sugar: -14.3%] ^{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. [Annual headline inflation in November stood at -1.4 percent] ^{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\$3,858.5m as at 28th Nov 2025] ^{9/} MORI is based on the Macroeconomic Committee forecast as at November 2025. [5.8 as at 28th Nov-25] ^{10/} Liquidity as at 27th November: F\$2146.8m ^{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 ^{6/} Food and Agriculture Organisation (FAO)					