



## International Economy

### Global Economy



Global outlook improved after US tariff, shifts and trade adjustments. US foreign policy uncertainty rises while Russia - Ukraine peace talks advance.

Source: IMF October World Economic Outlook

### Commodity Prices: Nov-end



Sources: Bloomberg & FAO

## Fijian Economy (Jan-Nov)

### Sectoral



Sources: FBoS & Various Industries

### Labour Market



- Job Advertisements: -3.0%
- Resident departure (1yr above): -10.1%
- Approved Work Permits: -87.2%

Sources: FBoS, RBF & Ministry of Immigration

### Consumption

- 
- Net VAT Collections -2.5%
  - New Consumption Lending: 24.3%\*
  - Vehicle Registrations 23.2%\*\*
  - PAYE Tax: 14.8%

### Investment

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- New Investment Lending: -2.0%\*
  - Value of Completion certificates: 167.8%
  - Value of work put-in-place (Jan-Sep): 20.4%
  - Value of Building Permits (Jan - Sep): -3.6%

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

Sources: FRCS, RBF & Various Industries

### Financial Conditions



Source: RBF

### External Trade (Jan-Oct)



Source: FBoS

### Risks to the Outlook



#### Global risks:

- Trade & geopolitical tensions: higher commodity prices
- US foreign policy shifts

#### Domestic risks:

- Cyclone season: sectoral disruptions & food price hikes
- Structural challenges & social issues persist
- Possible US TIP downgrade: investment & tourism risk

## Monetary Policy Objectives

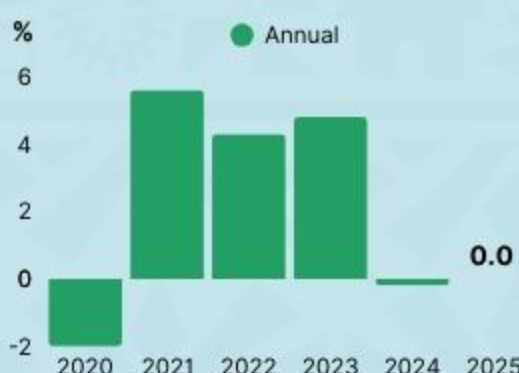
### Foreign Reserves



**\$3.7 billion (31/12)**  
**5.6 MORI**

Source: RBF

### Headline Inflation



Source: FBoS

Note: percentages are year-on-year changes





# 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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Global growth prospects came under immense pressure in early 2025 after the United States (US) introduced large tariffs in April on nearly all its trading partner economies (TPEs). As uncertainties around the major policy shift grew, they opened avenues for trade negotiations and prompted significant front-loading of activities to reduce the impact of pending higher tariffs. These measures along with later tariff wind-backs and related policy changes, underpinned the upward revision to the 2025 growth outlook.<sup>1</sup>

In more recent developments, US foreign policy uncertainty has increased as the administration recalled Biden-era Ambassadors and signalled possible budget freezes to additional USAID. On a positive note Russia's concession to allow Ukraine to join the European Union marked progress in peace negotiations, with the US offering security to safeguard an eventual ceasefire.

Commodity prices were mixed in November. Brent crude oil prices fell over the month (-2.9%) and year (-13.8%), settling at US\$63.20 per barrel at month-end, as supply from the Organisation for the Petroleum Exporting Countries (OPEC+)<sup>2</sup> and its allies placed downward pressure on crude oil prices, outweighing concerns over tensions arising from the US blockade of sanctioned oil tankers to and from Venezuela. Similarly, lower prices across all major staple foods excluding cereals resulted in the fall of global food prices over the month (-1.2%) and year (-2.1%). Contrary to this, sugar prices rose over the month (5.4%) but remained lower on a yearly (-27.8%) basis, settling at

US\$15.2 cents per pound, as investors sought to prop up prices by buying back previously short-sold stocks. Gold prices ended November at US\$4,254.90 per ounce, gaining over the month (6.5%) and year (58.7%) due to strong demand for the safe-haven asset, including central bank purchases and rising tensions between the US and Venezuela. Other factors that partly influenced gold prices included expectations of rate cuts in December, following weaker than anticipated US inflation data, as well as an increase in the US unemployment rate since September.

Domestically, Fiji's economy recorded a generally positive outturn. Visitor arrivals inched up by 0.3 percent (to 901,372 visitors) in the year to November. Higher arrivals from the United Kingdom (11.3%), US (10.2%), Continental Europe (6.8%) and Pacific Island Countries (3.2%) offset the declines from the major markets of New Zealand (-2.9%) and Australia (-0.8%) as well as the Asian markets (-6.8%).

Sectoral performance was broadly positive despite industry-specific challenges. In the year to November, timber output surged with higher pine wood (69.5%) and mahogany (53.5%) production supported by favourable weather conditions. In the same period, higher electricity production (0.5%) reflected the growth in new customers (1.8%), with renewable sources accounting for 53.0 percent of total energy generation. In contrast, mineral water output fell (-10.6%), owing to weaker demand from the US

<sup>1</sup> Indicated in the IMF July and October 2025 World Economic Outlook.

<sup>2</sup> Especially from the United Arab Emirates and increased oil exports from Guyana.

as well as planned maintenance works in November. Gold ore production also contracted (-28.2%) led by declines at Vatukoula Gold Mines Limited (VGML) (-62.4%), which offset improvements at Tuvatu Gold Mines (23.1%). The decline at VGML partly mirrors a shift in production to gold concentrates, which so far this year has totalled 12,400 ounces. Similarly, sugar production declined (-12.7%) up to the week ending 15 December despite an increase in cane supply (8.0%), largely due to poor cane quality, operational challenges and unfavourable weather conditions.<sup>3</sup>

Labour market conditions continued to ease, although sector-specific challenges persist. Job advertisements contracted (-3.0%) cumulative to November indicating a moderation in labour demand,<sup>4</sup> which was partly reflected in the growth in formal employment registrations with the Fiji National Provident Fund up to October (1.5%). The easing conditions also reflected a fall in resident departures for one year and above (-10.1%) over the same period.<sup>5</sup> However, temporary migration the under seasonal worker scheme rose slightly (0.3%), while the number of approved work permits fell sharply (-87.2%) in the year to November.

Consumption activity remained robust, supported primarily by the lower Value Added Tax (VAT) rate, and reflected in partial indicators. New consumption lending<sup>6</sup> rose (24.3%) to \$2.1 billion up to November, largely driven by the wholesale, retail, hotels & restaurants sector. Pay-As-You-Earn tax collections, an indicator of income also rose (14.8%) in line with the increase in wages paid (9.0% cumulative to October). Similarly, inward remittances up to September (4.3%) added further impetus to consumption activity. The number of vehicles registered in the year to November were higher (23.2%)<sup>7</sup> underpinned by

both new (27.7%) and second-hand (20.0%) vehicles. Meanwhile, net VAT collections fell (-2.5%) up to November, broadly mirroring the lower VAT rate and higher refunds (13.5%).

Partial indicators point to an improvement in investment activity. Despite the decline in the number of completion certificates issued (-25.1%), the value of certificates was significantly higher (167.8%) cumulative to the third quarter. In the same period, the value of work put in place also expanded (20.4%). These increases reflect higher building costs earlier in the year and the execution of high value projects during the year. Although building material prices declined in the last two quarters of 2025, they remained higher on annual basis (0.9%). The number of building permits issued, a forward-looking indicator of construction activity grew (10.4%) although the value of permits fell (-3.6%) up to the third quarter. Furthermore, imports of prefabricated building materials and other building items rose (43.5%) up to October, supporting improved construction activity and reflecting cost saving measures. However, in the year to November, new loans for investment purposes<sup>8</sup> declined (-2.0%) due to lower lending to the building & construction sector (-15.3%), while lending to the household (16.0%) and real estate (1.8%) sectors increased. Similarly, domestic cement sales in October were higher over the month (5.6%) but declined on a cumulative basis (-2.1%) due to the closure of Pacific Cement Limited earlier in the year for maintenance works.

Favourable financial sector conditions supported growth, as indicated by the annual expansion in broad money (10.1%) in November. This was driven by higher private sector credit growth (9.2%), led by credit to business entities<sup>9</sup> and households. Banking system liquidity remained sufficient, at around \$1.9 billion (30/12), which helped keep interest rates low, with the

<sup>3</sup> Unfavourable weather conditions were mostly faced in Labasa and Lautoka

<sup>4</sup> Job advertisements data are currently sourced from Fiji Sun and Fiji Times only.

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

<sup>6</sup> Excluding refinancing.

<sup>7</sup> Data obtained from the Land Transport Authority.

<sup>8</sup> Excluding refinancing.

<sup>9</sup> Mainly to the real estate and wholesale, retail, hotels & restaurants sectors.

outstanding lending rate settling at 4.50 percent in November.

In November 2025, the Fijian dollar (FJD) depreciated against all the basket currencies annually except the Japanese Yen (JPY) (3.0%) and New Zealand dollar (NZD) (2.8%). The largest weakening was against the Euro (EUR) (-9.2%), followed by the Australian dollar (AUD) (-0.7%) and the United States Dollar (USD) (-0.2%). In contrast, the FJD strengthened against most currencies over the month, including the JPY (1.3%), the AUD (0.1%) and the NZD (0.1%) while it weakened against the EUR (-0.5%) and USD (-0.2%).

In the external sector, the merchandise trade<sup>10</sup> deficit widened by 10.1 percent in the year to October, compared to a 4.0 percent narrowing in the same period last year. The annual outturn was driven by strong growth in imports (6.7%) which offset the slow growth in exports (0.9%). 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 miscellaneous manufactured goods categories contributing the most. On the other hand, the marginal annual gain in exports was largely driven by higher 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 heavily on overall export growth.

Headline inflation stood at zero percent in December, compared to -1.4 percent in November and -0.2 percent in December last year<sup>11</sup> as reported by the Fiji Bureau of Statistics. Higher prices were noted in the alcoholic beverages, tobacco & yaqona, restaurants & hotels and the miscellaneous goods & services categories which offset declines in prices for transport, cooking gas and fuel as well as furnishings and household equipment categories.

Foreign reserves are at adequate levels and are currently around \$3.7 billion (31/12), sufficient to cover 5.6 months of retained imports and are projected to remain sufficient over the medium term.

The global and domestic outlook remains vulnerable to several challenges and uncertainties. Globally, trade and geopolitical tensions including the current Venezuelan oil sanctions could influence commodity prices and raise production costs for Fiji. Additionally, the strategic change in the US foreign diplomatic appointments may indicate shifts in its foreign policy priorities creating uncertainties for its partners. On the domestic front, the current cyclone season poses risks to sectoral performances and the prices of market items. Moreover, structural challenges in key sectors, rising social issues and the potential downgrade of Fiji's ranking in the US TIP<sup>12</sup> report could further undermine Fiji's position as a safe investment and tourism destination, weighing on growth prospects.

## **RESERVE BANK OF FIJI**

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<sup>10</sup> Merchandise trade analysis excludes aircraft.

<sup>11</sup> The index has remained unchanged over the year at 111.8.

<sup>12</sup> US State Department Trafficking in Persons (TIP) report is an annual, comprehensive assessment ranking countries on their efforts to combat human trafficking, categorising them into tiers.

## FIJI: ECONOMIC &amp; FINANCIAL STATISTICS

## KEY INDICATORS

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

	Nov-24	Aug-25	Sep-25	Oct-25	Nov-25
Visitor Arrivals	6.2	0.4	0.3	0.1	0.3
Electricity Production	11.1	0.6	0.3	0.1	0.5
Gold production <sup>1)</sup>	38.0	-24.8	-25.8	-27.7	-28.2
Gold production <sup>2)</sup>	38.0	16.1	16.5	14.0	15.6
Cane Production <sup>3)</sup>	-15.0	-6.0	-6.0	-2.9	4.2
Sugar Production <sup>3)</sup>	-9.6	-13.6	-15.2	-16.9	-14.1
Pinewood Production	-32.7	100.1	95.0	87.9	69.5
Woodchip Production	10.3	10.6	4.5	2.5	-0.4
Sawn Timber Production	15.8	10.7	1.4	2.0	-7.0
Mahogany Production	-13.0	102.7	90.3	67.4	53.5
Cement Production	7.7	-6.3	-5.0	-2.6	n.a

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

Net VAT Collections	32.6	3.3	1.3	0.5	-2.5
New Consumption Lending <sup>4)</sup>	33.8	31.2	31.5	28.5	24.3
Vehicle Registrations	18.4	23.9	23.9	23.2	23.2
<i>New Vehicle Registrations</i>	2.9	29.3	29.5	28.3	27.7
<i>Secondhand Vehicle Registrations</i>	32.8	19.9	19.8	19.6	20.0
Inward Personal Remittances <sup>5)</sup>	7.4	6.3	4.3	n.a	n.a
Outward Personal Remittances	16.2	5.3	7.0	n.a	n.a
Electricity Consumption	8.7	1.7	2.3	2.2	n.a

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

Domestic Cement Sales	9.7	-6.3	-3.7	-2.1	n.a
New Investment Lending <sup>4)</sup>	25.9	4.2	-4.9	-1.0	-2.0
<b>Building &amp; Construction</b>					
Completion Certificates Issued					
Number	n/a	n/a	-25.1	n/a	n/a
Value	n/a	n/a	167.8	n/a	n/a
Building Permits Issued					
Number	n/a	n/a	10.4	n/a	n/a
Value	n/a	n/a	-3.6	n/a	n/a
Value of work put in place	n/a	n/a	20.4	n/a	n/a

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

RBF Job Advertisement Survey	-11.9	-9.4	-10.0	-6.4	-3.0
Resident Departure by purpose >1yr above <sup>6)</sup>	-39.4	-20.9	-18.6	-13.9	-10.1

**5. Consumer Prices \*\***  
(year-on-year % change) <sup>7)</sup>

All Items	-0.5	-3.5	-3.8	-3.4	-1.4
Food and Non-Alcoholic Beverage	1.5	-7.6	-8.2	-8.4	-3.9
Alcoholic Beverages, Tobacco & Narcotics	3.3	3.1	3.0	3.9	3.8

**6. Reserves \*\*\***  
(end of period)

Foreign Reserves (\$m) <sup>8)</sup>	3,770.1	3,890.5	3,844.6	3,900.3	3,864.2
Months of retained imports of goods and non-factor services (MORI) <sup>9)</sup>	6.0	5.8	5.8	5.9	5.8

**7. Exchange Rates \*\*\***  
(End of period, F\$1 equals)

US dollar	0.4361	0.4385	0.4378	0.4361	0.4352
Australian dollar	0.6708	0.6715	0.6658	0.6655	0.6664
New Zealand dollar	0.7402	0.7452	0.7577	0.7596	0.7606
Euro	0.4132	0.3754	0.3734	0.3770	0.3753
Japanese Yen	66.07	64.45	65.08	67.19	68.03

**8. Liquidity \*\*\***  
(end of period) <sup>10)</sup>

Banks' Demand Deposits (\$m)	2,286.6	2,168.3	2,211.0	2,241.1	2,148.9
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**9. Money and Credit \*\*\***  
(year-on-year % change)

Broad Money	8.3	10.0	10.9	11.2	10.1
Net Foreign Assets	9.6	2.0	2.6	3.4	3.9
Net Domestic Credit	6.9	11.2	11.8	12.3	10.2
Private Sector Credit	11.3	10.1	9.6	9.8	9.2
Narrow Money	9.3	12.9	12.8	9.9	10.9

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

Overnight Policy Rate <sup>11)</sup>	0.25	0.25	0.25	0.25	0.25
Repurchase Rate <sup>11)</sup>	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	4.59	4.53	4.52	4.48	4.50
Savings Deposit Rate	0.31	0.30	0.31	0.30	0.31
Time Deposit Rate	1.67	1.69	1.64	1.61	1.59
3 month Government T-Bills	n.i	0.20	0.20	0.20	0.20
12 month Government T-Bills	1.14	1.12	1.13	1.13	1.12
5-year Government Bond Yield	n.i	n.i	n.i	n.i	2.06
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\$)	2,681.0	3,516.1	3,873.2	3,996.5	4,254.9
CSCE No. 11 Sugar Spot Price/Global (US cents/pound)	21.1	16.4	16.6	14.4	15.2
Crude Oil/barrel (US\$)	73.3	68.1	67.0	65.1	63.2
FAO Food price index <sup>6)</sup>	127.7	130.0	128.7	126.6	125.1

*Note:*<sup>1)</sup> Excluding gold concentrate<sup>2)</sup> Including gold concentrate<sup>3)</sup> As at 15th December: [Cane: 8.0% & Sugar: -12.7%]<sup>4)</sup> Excludes refinancing<sup>5)</sup> 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.<sup>6)</sup> Resident departure by purpose includes Employment, Education/ Training, Emigration & Others<sup>7)</sup> 2019 rebase<sup>8)</sup> 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\$3,714.7m as at 31st Dec-25]<sup>9)</sup> MORI is based on the Macroeconomic Committee forecast as at November 2025. [5.6 as at 31st Dec-25]<sup>10)</sup> Liquidity as at 30th Dec-25: F\$1,895.5m<sup>11)</sup> 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)