

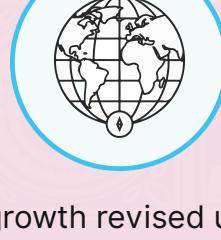


RBF January 2026 ECONOMIC REVIEW

at a glance

International Economy

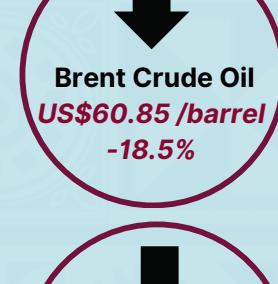
Global Economy



Global growth revised up by 0.2 percentage points to 3.3% in 2026 while the outlook for 2027 remains steady at 3.2%.

Source: International Monetary Fund January World Economic Outlook Report

Commodity Prices : Dec end (Y-O-Y)



Sources: Bloomberg & FAO

Fijian Economy in 2025 (Y-O-Y)

Sectoral



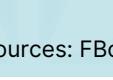
Visitor Arrivals
0.3%



Cane
9.6%



Sugar
-12.5%



Mahogany 46.2%

Sawn timber -7.1%

Woodchip -0.7%



Mineral Water
-11.2%



Gold Ore
-29.2%



Electricity
0.7%

Sources: FBoS & Various Industries

Labour Market



Job Advertisements: -4.1%

Approved Work Permits: -87.4%

Resident departure by purpose - 1yr above

- Employment -15.5%
- Education/Training -5.4%
- Emigration -2.4%

Sources: FBoS, RBF & Ministry of Immigration

Consumption



- Net VAT Collections -3.8%
- New Consumption Lending: 23.6%*
- Vehicle Registrations 23.6%**
- PAYE Tax: 17.0%



- New Investment Lending: 0.2%*
- Construction-related Imports (Jan-Oct): 5.4%

*Excluding refinancing

** Including new and second-hand vehicles

Sources: FRCS, RBF & Various Industries

Financial Conditions



Liquidity (29/01)
\$1.9 billion



Broad Money
10.4%



Private Sector Credit
8.4%



Outstanding Lending Rate
4.49%

Source: RBF

External Sector

Tourism Earnings (Jan-Sep) 11.3%



Net Remittances (Jan-Nov) -0.4%

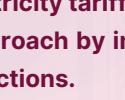
Inward
1.8%



Outward
5.5%

Source: FBoS & RBF

Risks to the Outlook



Global:

- Continued geopolitical and trade tensions.
- Spillover effects via higher imported inflation, weak tourism demand, and lower remittance inflows.

Domestic:

- Possibility of electricity tariff increases.
- Wait-and-see approach by investors in the lead-up to the national elections.
- Impact of natural disasters.

Foreign Reserves

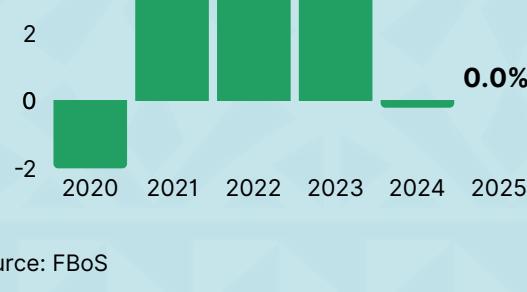


\$3.7 billion (30/01)

5.4 MORI

Source: RBF

Headline Inflation



Source: FBoS

Monetary Policy Objectives

Overnight Policy Rate



The RBF Board maintained the

Overnight Policy Rate at 0.25% in its January meeting.



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.

Vol. 44

No. 01

Month Ended January 2026

The International Monetary Fund in its January 2026 World Economic Outlook revised global growth up by 0.2 percentage points to 3.3 percent while the 2027 projection remains steady (3.2%). The higher revision mirrors strong technology-driven investments, particularly in Artificial Intelligence across North America and Asia, carryovers from last year, along with supportive monetary and fiscal policy stance that has sustained private sector activity. Global headline inflation is projected to moderate to 3.8 percent in 2026 from 4.1 percent last year and settle at 3.4 percent in 2027. Inflation in major economies is expected to return to target this year, except in the United States (US), where the higher tariff pass through to domestic prices are anticipated to materialise, delaying the moderation in consumer prices.

Commodity prices fell across most categories, except for gold at the end of 2025. Brent crude oil prices closed at US\$60.85 per barrel in December, lower over the month (-3.7%) and year (-18.5%), driven primarily by excess supply and sluggish demand growth. The FAO¹ Food Price Index (FPI) dipped for the fourth straight month in December to 124.3 points, falling on a monthly (-0.6%) and yearly (-2.3%) basis as prices of most food commodities fell, except for cereal and sugar. However, the average FAO FPI for the whole of 2025, was 4.3 percent higher than its level in 2024, as constricted supply conditions drove prices higher for dairy, vegetable oils, and meat. Sugar prices dropped over the month (-1.3%) and year (-22.1%) to US15.0 cents per pound at the end of December, reflecting oversupply from Brazil along with a

production rebound in India. In contrast, gold prices continued to fetch better prices settling at US\$4,341.1 per ounce with gains over the month (2.0%) and year (64.4%), due to mounting global tensions.

Domestically, economic activity was broadly positive in 2025. Tourism activity performed better than expected in 2025, with visitor arrivals reaching a record high of 986,367 at the year end, marking a modest gain of 0.3 percent, compared to the forecast² of a no growth. Higher arrivals from the US (9.6%), Continental Europe (7.4%), Pacific Island Countries (3.7%) and the United Kingdom (12.7%) drove the outcome, while tourists from traditional source markets of New Zealand (-2.9%) and Australia (-0.6%) fell.

Sectoral production noted varied but generally positive outcomes in the review period. Sugar production fell (-12.5%) in the 2025 season despite higher cane harvest (9.6%) largely due to poor cane quality and adverse weather conditions. The timber industry noted mixed performances in 2025, with mahogany production rebounding strongly (46.2%) as more harvesting stations became active, while sawn timber (-7.1%) and woodchip³ (-0.7%) output dropped. Mineral water production fell (-11.2%) for the third consecutive year, attributed to weaker demand from the US market and several upgrade works carried out in the year, which affected production. Gold ore output declined (-29.2%) in 2025, led by the strategic shift to gold concentrate production by Vatukoula Gold Mines Limited which offset the growth (21.5%) recorded by Tuvatu Gold Mine. Conversely,

¹ Food and Agriculture Organisation.

² As per the Macroeconomic Committee's forecast as of November 2025.

³ The decline reflects supply constraints.

electricity production expanded (0.7%) in 2025, owing to increased demand across domestic, commercial, and industrial users with 53.0 percent of the energy generated through renewable sources.

Imbalances in the labour market eased further in 2025, however, sector-specific labour challenges persisted. Demand for labour has softened, as proxied by the decline in job advertisements⁴ (-4.1%), indicating that more positions were being filled. This was also reflected in the growth in formal employees registered with FNPF (0.3%) as of November 2025. Likewise, foreign work permits approved also dropped in 2025 (-87.4%). Additionally, residents' departure⁵ for employment (-15.5%), education/training (-5.4%) and emigration (-2.4%) contracted during the year. Despite the easing migration, residents' departure under the labour mobility schemes rose (1.8%) after two years of decline, driven by the notable increase in the PALM's⁶ short-term program (32.0%).

Partial consumption indicators showed strong activity in the review period, supported by higher incomes and remittance inflows, further reinforced by the reduction in the VAT rate. Commercial banks' new lending for consumption purposes (excluding refinance) grew (23.6%) in 2025, mainly to the wholesale, retail, hotel & restaurants sector (24.3%) and households (19.5%) along with higher vehicle registrations (23.6%). Total sales and services income from the wholesale, retail trade and repair of motor vehicles and motorcycles activity rose (5.0%) in the year to September. The positive momentum is expected to carry forward in the coming months, supported by continued growth in lending and higher Government spending, particularly through initiatives such as the back-to-school assistance.

Investment activity has gradually improved, as suggested by partial indicators. The value-of-work put in place grew (20.4%) cumulative to

September, owing to increases in construction-related activity in both the private (15.9%) and public (26.4%) sectors. The outcome partly reflects higher building material prices (0.9%) in the year, and nominal wages (7.0%) paid to the construction sector cumulative to November 2025. Forward-looking indicators point to a more positive investment outlook, with increases noted in construction-related imports (5.4% up to October),⁷ the number of building permits issued (10.4%) cumulative to September and commercial banks' new investment lending (excluding refinance) (0.2%) in 2025. However, the upcoming national elections could trigger a wait-and-see behaviour amongst investors in the year.

Favourable financial conditions supported economic activity. Broad money expanded (10.4%) in 2025, driven by increased private sector credit (8.4%), mostly to the business entities and households. Liquidity in the banking system remained ample at around \$1.9 billion (29/01), helping keep outstanding lending rates near all-time low in 2025 (4.49%).

In December 2025, the Fijian Dollar (FJD) appreciated against the United States Dollar (3.3%), the Japanese Yen (YEN) (3.0%) and the New Zealand Dollar (0.6%) but weakened against the EURO (-8.5%) and the Australian Dollar (-4.0%). Over the month, the FJD strengthened against the YEN (1.2%) and the USD (1.1%) but depreciated against the AUD (-1.4%), the EURO and the NZD (-0.2%).

On the external front, tourism earnings remain positive, growing by 11.3 percent to \$2,101.9 million over the first three quarters of 2025, driven by higher average daily spending (8.0%), specifically per diems from education & training, business and holiday purposes. This was further supported by positive tourist arrivals over the same period (0.3%) which helped

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

⁵ Residents' departure for a period of one year and above for employment, education/training, emigration and others.

⁶ Pacific Australia Labour Mobility – up to 9 months.

⁷ Mainly driven by the imports of general industrial goods (18.3%), specialised industrial equipment (15.5%), iron and steel products (16.3%), other manufactured metals (11.2%) and prefabricated building components and materials (43.5%).

outweigh the fall in average length of stay (-5.9%).

Similarly, inward personal remittances rose by 1.8 percent to \$1.2 billion over the year to November, with majority (53.9%) of the funds accessed through mobile platforms. Outward remittances also grew by 5.5 percent to \$481.9 million over the same period, due to higher transfers by non-residents overseas to meet commitments. On a net basis, remittance noted a marginal annual contraction of 0.4 percent to \$752.0 million.

The year-end headline inflation for 2025, as released by the Fiji Bureau of Statistics, stood at 0.0 percent. The outcome stems mostly from lower fuel and gas prices, which offset the increase in prices noted in the alcoholic beverages, tobacco & narcotics, restaurants & hotels, and the miscellaneous goods & services categories, while prices in the food & non-alcoholic beverages category were broadly unchanged. Inflation is forecast to settle at 2.5 percent in 2026, barring any external shocks or significant increase in domestic tariffs.

Foreign reserves remain at adequate levels and are currently around \$3.7 billion (30/01), sufficient to cover 5.4 months of retained imports and are projected to remain sufficient over the medium term.

Going forward, the Fijian economy is projected to grow by 3.0 percent in 2026,⁸ marking a fifth consecutive year of growth supported by the 2.0 percent increase in visitor arrivals. However, downside risks to the outlook persist. On the global front, mounting geopolitical and trade tensions underscore the element of uncertainty and potentially weigh on the growth in Fiji's major trading partners economies, with spillover effects for Fiji via higher imported inflation, softer tourism demand and lower remittance inflows. Domestically, the possibility of electricity tariff increases, wait-and-see approach by investors amid the upcoming national election as well as the constant threat of natural disasters could dampen economic activity.

Given the current 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

⁸As per the Macroeconomic Committee's forecast as of November 2025.

KEY INDICATORS

	Dec-24	Sep-25	Oct-25	Nov-25	Dec-25
1. Sectoral Performance Indicators * (year-on-year % change)					
Visitor Arrivals	5.7	0.3	0.1	0.3	0.3
Electricity Production	10.6	0.3	0.1	0.5	0.7
Gold production ^{1/}	40.2	-25.8	-27.7	-28.2	-29.2
Gold production ^{2/}	40.2	16.5	14.0	15.6	15.9
Cane Production ^{3/}	-15.0	-6.0	-2.9	4.2	9.6
Sugar Production ^{3/}	-9.6	-15.2	-16.9	-14.1	-12.5
Pinewood Production	-34.5	95.0	87.9	69.5	65.8
Woodchip Production	5.8	4.5	2.5	-0.4	-0.7
Sawn Timber Production	12.5	1.4	2.0	-7.0	-7.1
Mahogany Production	-19.2	90.3	67.4	53.5	46.2
Cement Production	7.2	-5.0	-2.6	n.a	n.a
2. Consumption Indicators * (year-on-year % change)					
Net VAT Collections	32.9	1.3	0.5	-2.5	-3.8
New Consumption Lending ^{4/}	33.5	31.5	28.5	24.3	23.6
Vehicle Registrations	19.0	23.9	23.2	23.2	23.6
New Vehicle Registrations	3.3	29.5	28.3	27.7	27.0
Secondhand Vehicle Registrations	33.5	19.8	19.6	20.0	21.3
Inward Personal Remittances ^{5/}	6.0	4.3	3.2	1.8	n.a
Outward Personal Remittances	13.8	7.0	9.5	5.5	n.a
Electricity Consumption	8.5	2.3	2.2	n.a	n.a
3. Investment Indicators * (year-on-year % change)					
Domestic Cement Sales	11.0	-3.7	-2.1	n.a	n.a
New Investment Lending ^{4/}	22.6	-4.9	-1.0	-2.0	0.2
Building & Construction					
Construction Certificates Issued					
Number	-51.1	-25.1	n/a	n/a	n.a
Value	6.8	167.8	n/a	n/a	n.a
Building Permits Issued					
Number	-41.0	10.4	n/a	n/a	n.a
Value	92.2	-3.6	n/a	n/a	n.a
Value of work put in place	-4.4	20.4	n/a	n/a	n.a
4. Labour Market (year-on-year % change)					
RBF Job Advertisement Survey	-11.6	-10.0	-6.4	-3.0	-4.1
Resident Departure by purpose >1yr above ^{6/}	-39.2	-18.6	-13.9	-10.1	-7.9
5. Consumer Prices ** (year-on-year % change) ^{7/}					
All Items	-0.2	-3.8	-3.4	-1.4	0.0
Food and Non-Alcoholic Beverage	0.8	-8.2	-8.4	-3.9	0.1
Alcoholic Beverages, Tobacco & Narcotics	3.9	3.0	3.9	3.8	6.4
6. Reserves *** (end of period)					
Foreign Reserves (\$m) ^{8/}	3,707.7	3,844.6	3,900.3	3,864.2	3,709.6
Months of retained imports of goods and non-factor services (MORI) ^{9/}	5.9	5.8	5.9	5.8	5.6
7. Exchange Rates *** (End of period, F\$1 equals) ^{10/}					
US dollar	0.4259	0.4378	0.4361	0.4352	0.4399
Australian dollar	0.6841	0.6658	0.6655	0.6664	0.6569
New Zealand dollar	0.7547	0.7577	0.7596	0.7606	0.7592
Euro	0.4094	0.3734	0.3770	0.3753	0.3744
Japanese Yen	66.85	65.08	67.19	68.03	68.83
8. Liquidity *** (end of period) ^{10/}					
Banks' Demand Deposits (\$m)	2,425.4	2,211.0	2,241.1	2,148.9	1,884.8
9. Money and Credit *** (year-on-year % change)					
Broad Money	7.7	10.9	11.2	10.1	10.4
Net Foreign Assets	7.2	2.6	3.4	3.9	5.9
Net Domestic Credit	7.3	11.8	12.3	10.2	10.5
Private Sector Credit	11.3	9.6	9.8	9.2	8.4
Narrow Money	8.8	12.8	9.9	10.9	11.3
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	4.56	4.52	4.48	4.50	4.49
Savings Deposit Rate	0.30	0.31	0.30	0.31	0.30
Time Deposit Rate	1.71	1.64	1.61	1.59	1.56
3 month Government T-Bills	n.i.	0.20	0.20	0.20	0.20
12 month Government T-Bills	1.14	1.13	1.13	1.12	1.12
5-year Government Bond Yield	n.i.	n.i.	n.i.	2.06	3.00
10-year Government Bond Yield	4.00	n.i.	n.i.	n.i.	4.00
11. Commodity Prices **** (end of period)					
UK Gold Price/fine ounce (US\$)	2,641.0	3,873.2	3,996.5	4,254.9	4,341.1
CSCE No. 11 Sugar Spot Price/Global (US cents/pound)	19.3	16.6	14.4	15.2	15.0
Crude Oil/barrel (US\$)	74.6	67.0	65.1	63.2	60.9
FAO Food price index ^{12/}	127.3	128.6	126.5	125.1	124.3

Note:

^{1/} Excluding gold concentrate^{2/} including gold concentrate^{3/} As at 05th January 2026. [Cane: 9.6% & Sugar: -12.5%]^{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\$3,718.2m as at 30th Jan-26]^{9/} MORI is based on the Macroeconomic Committee forecast as at November 2025. [5.4 as at 30th Jan-26]^{10/} Liquidity as at 29th Jan-26: F\$1,943.2m^{11/} Not weighted average.^{12/} 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)