



## International Economy

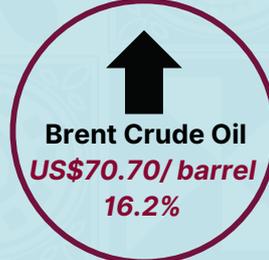
### Global Economy



Global trade and growth have become more uncertain as the US continues to change its trade policies. Geopolitical tensions between the US and Iran also remain elevated, with the risk of a second US strike pushing oil price expectations higher.

Sources: New York Times, Bloomberg, US Department of State.

### Commodity Prices : Jan end (M-O-M)



Sources: Bloomberg & FAO

## Fijian Economy (Jan)

### Sectoral



**Visitor Arrivals**  
0.3%



**Cane**  
10.9%\*



**Sugar**  
-12.0%\*



**Mahogany** 23.7%



**Mineral Water**  
-16.0%



**Gold Doré**  
-38.9%



**Electricity**  
10.8%

\* The actuals for the 2025 crushing season

Sources: FBoS & Various Industries

### Labour Market



**Job Advertisements** 16.1%

**Resident departure by purpose - above 1yr**

- Employment -87.3%
- Education/Training -11.5%
- Emigration -6.5%

Sources: FBoS & RBF

### Consumption



- Net VAT Collections -16.5%
- New Consumption Lending -18.3%
- Vehicle Registrations -0.5%\*
- PAYE Tax 28.1%

### Investment



- New Investment Lending 99.1%
- Construction-related Imports (Jan-Nov) 6.3%

\* Including new and second-hand vehicles

Sources: FRCS, RBF & Various Industries

### Financial Conditions



**Liquidity (26/02)**  
\$1.9 billion



**Broad Money**  
9.4%



**Private Sector Credit**  
10.5%



**Outstanding Lending Rate**  
4.51%

Source: RBF

### External Trade (Jan-Nov)



**Net Remittances (2025) -0.6%**



Sources: FBoS & RBF

### Risks to the Outlook



Both global and domestic risks persist:

- Commodity price volatility.
- Natural disaster risk remains while cyclone season continues.
- US visa bonds, trading partner interest rate hikes and travel advisories could impact visitor arrivals.
- These developments could lower the 3.0% growth forecast.

## Monetary Policy Objectives

### Foreign Reserves



**\$3.6 billion (27/02)**  
**5.2 MORI\***

\*MORI - Months of Retained Imports

Source: RBF

Note: percentages are year-on-year changes

### Headline Inflation



Source: FBoS

## Overnight Policy Rate



The RBF Board maintained the Overnight Policy Rate at **0.25%** in its February 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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The global trade outlook has entered a period of heightened uncertainty. Following the Supreme Court's decision to strike down previously imposed tariffs, the United States (US) administration is recalibrating its trade policies. The US administration moved quickly under the new Trade Act authority to introduce a 10 percent tariff on all imports, with plans to raise the rate to 15 percent.<sup>1</sup> This decision has created further uncertainty for countries with existing trade agreements as the newly announced tariff rate is now lower than the bilateral rates established earlier. The US has also launched its US\$12 billion Project Vault and signed 11 new bilateral critical minerals agreements to strengthen domestic supply, challenging China's dominance and underscoring the rising geopolitical importance of these resources. In addition, the US and Iran have agreed to continue negotiations, with the US President later announcing a 10 to 15 day deadline for progress. At the same time, the possibility of a second strike on Iran is fuelling expectations of higher oil prices.

Global commodity prices remained on a downward trajectory in January 2026, except for Brent crude oil and gold. Brent crude oil prices rose to US\$70.70 per barrel at the end of January (m-o-m: 16.2%; y-o-y: -7.9%), as markets reacted to aggressive remarks by the US administration against Iran. Gold prices remain elevated, closing at US\$4,745.1 per ounce (m-o-m: 9.3%; y-o-y: 67.4%) at the end of January, mirroring expectations of a future interest rate

cut amid the announcement of the new US Federal Reserve Chairman, and ongoing geopolitical tensions propelling strong demand for the safe-haven asset. As of 25 February, prices rose further to US\$5,226.20 per ounce. On the contrary, global food prices, represented by the FAO<sup>2</sup> Food Price Index fell further in January (m-o-m: -0.4%; y-o-y: -0.6%), marking the fifth consecutive monthly decline driven mainly by lower dairy, meat, and sugar prices, which more-than-offset slight increases in prices of cereals and vegetable oils. World market sugar prices also declined both over the month (-4.9%) and year (-26.3%) at January-end to US14.3 cents per pound, driven by expectations of higher global production.

Domestically, Fiji recorded 70,993 visitor arrivals in January, the highest ever for the month, however, increased by 0.3 percent from the same period last year. The growth was supported by improved arrivals from key source markets of Australia (2.7%) and New Zealand (1.1%), along with increased inflows from the US (3.1%), Canada (29.0%), the United Kingdom (15.8%), India (18.4%), South Korea (33.9%) and the Rest of Asia (8.3%). However, these gains were partially offset by declines in arrivals mainly from China (-31.8%), Pacific Islands countries (-13.7%) and Continental Europe (-10.5%).

Sectoral outcomes varied during the review period but remained generally positive. Mahogany production expanded sharply in

<sup>1</sup> The new tariff measure, issued under Section 122 of the Trade Act of 1974, allows the President to impose short-term tariffs, on

imported goods to address persistent US balance of payments deficits.

<sup>2</sup> Food and Agriculture Organisation.

January (23.7%), supported by favourable weather conditions that facilitated harvesting efforts however, no sawn timber and woodchips were produced due to planned sawmill maintenance. In January, electricity generation also rose by 10.8 percent while consumption increased by 9.8 percent, with renewable sources accounting for 59.0 percent of total generation. In contrast, mineral water production fell by an annual 16.0 percent due to planned maintenance at one of the production facilities and softer US demand but output increased (21.5%) over the month signalling some positivity. Gold doré<sup>3</sup> output fell (-38.9%) driven by lower production from both Tuvatu and VGML<sup>4</sup> with the latter now prioritising the export of gold concentrates.<sup>5</sup>

Despite some ease in labour market conditions particularly on the supply front, skill shortages persist in key industrial sectors. Resident departures<sup>6</sup> continued to decrease in January 2026 across employment (-87.3%), education/training (-11.5%) and emigration (-6.5%) categories, helping moderate outward labour flows. However, temporary migration under seasonal worker schemes picked up sharply (163.4%) for PALM's<sup>7</sup> short and long-term schemes.<sup>8</sup> On the demand side, hiring momentum strengthened with job advertisements rebounding significantly in January (16.1%),<sup>9</sup> particularly for industrial sectors including construction and manufacturing. Despite the rise in labour demand, actual employment recovery remains uneven. While employee registrations with the Fiji National Provident Fund recorded a modest increase of 2.1 percent in 2025, employment levels across key industries, including

construction, manufacturing, information & communication, education, and real estate remain below their pre-pandemic levels.<sup>10</sup> This combination of elevated job vacancy listings and a subdued recovery in sectoral employment highlights persistent labour shortages, particularly in skill-intensive and technically specialised fields. Consequently, upward pressure on formal sector wages have been evident with remuneration rising significantly by 10.0 percent last year. These developments reinforce the view that constrained labour supply is compelling firms to compete aggressively for the pool of available workers.

Consumption-related activity remained upbeat in 2025 supported by the reduction in the Value Added Tax (VAT) rate and higher incomes and is expected to hold up momentum into 2026. Net VAT collections fell (-16.5%) in January due to lower collections from both domestic and customs. While commercial banks' new lending for consumption purposes fell by 18.3 percent in January, this is against a backdrop of strong consumer related lending throughout 2025 (23.6%) which is expected to continue supporting household spending at least up to mid-2026. Consumption activity continues to be sustained by increased disposable incomes (proxied by Pay As You Earn tax collections, 28.1%) in January 2026 supported by steady inflows of remittances (2.6%), and government spending in 2025.

Partial indicators of investment activity have improved amid a gradual easing in material costs and a shift towards greater use of prefabricated materials. New investment lending picked up

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<sup>3</sup> Gold doré (or doré bars) is a semi-refined product produced at mine sites, typically containing 60–90 percent gold along with silver and other impurities, which is then sent to refineries for final purification.

<sup>4</sup> Vatukoula Gold Mines Limited.

<sup>5</sup> Gold concentrates are partially processed materials where ore has been crushed and beneficiated to increase the gold content, typically via gravity or floatation methods.

<sup>6</sup> Departures for one year and above.

<sup>7</sup> Pacific Australia Labour Mobility scheme.

<sup>8</sup> Labour mobility under New Zealand's Recognised Seasonal Employer Scheme has remained stable to date, however, this

could shift rapidly with the introduction of two new mobility pathways, which are expected to increase labour outflows in the short to medium term.

<sup>9</sup> This is due to bulk posting for workers by a major construction company. Nevertheless, excluding this one-off surge, job advertisements still recorded a modest 3.6 percent increase, indicating an early sign of a gradual recovery in hiring as the year began.

<sup>10</sup> Foreign workers are not mandated to be registered with FNPF, however, one can choose to be a voluntary member.

significantly by 99.1 percent (to \$159.9m) in January 2026, mostly driven by higher lending to the real estate (212.3%) and the building & construction (39.2%) sectors. Construction-related imports also rose (6.3% cumulative to November 2025), driven primarily by increased imports of machinery and transport equipment. In addition, a shift towards prefabricated building materials is also evident (37.1% cumulative to November), reflecting preferences for construction methods that can reduce labour requirements and on-site costs while enabling faster project delivery. While the investment outlook for 2026 remains generally favourable, the upcoming general elections may affect the actual outcomes, especially for new projects as investors adopt a wait-and-see approach.

Financial conditions remain supportive of credit growth and economic activity amid ample banking system liquidity at around \$1.9 billion (26/02) which has helped keep lending rates near historic lows. Broad Money continued to expand in January 2026 (9.4%) predominantly driven by the notable rise (10.5%) in private sector credit.

In January 2026, the Fiji Dollar (FJD) appreciated against the United States Dollar (USD) (5.8%) and the Japanese YEN (5.2%) but weakened against the EURO (-7.7%), the Australian Dollar (AUD) (-6.1%) and the New Zealand Dollar (NZD) (-1.4%). Over the month, the FJD strengthened against the USD (2.6%), the EURO (0.8%) and the YEN (0.4%) while it depreciated against AUD (-2.3%) and NZD (-2.0%).

On the external front, Fiji's merchandise trade deficit widened on an annual basis by 10.3 percent cumulative to November 2025, underpinned by a large growth in imports that offset the marginal increase in exports. Merchandise imports increased by 6.6 percent,

largely due to higher imports of machinery & transport equipment, miscellaneous manufactured goods and animal & vegetable fats. Goods exported in the same period grew by a modest 0.5 percent, mainly driven by higher exports of gold,<sup>11</sup> woodchips and kava.

Inward remittances rose by 2.6 percent (to \$1,358.1m) in 2025, supported by higher personal transfers through mobile network operators (16.7%). Outward remittances also grew strongly (7.9% to \$539.9m), largely led by higher personal transfers by non-residents and emigrant transfers, including drawdowns on superannuation funds. As a result, net remittances declined by 0.6 percent compared to 2024.

Annual headline inflation settled at -2.5 percent in January 2026, from the 2.5 percent recorded in the same period last year. This outcome was due to lower prices noted for food & non-alcoholic beverages, transport and housing & utilities categories. A key contributing factor to these declines was the reduction in the VAT rate and lower fuel and gas prices. Nonetheless, core inflation,<sup>12</sup> which excludes volatile items like food, fuel and gas, is estimated at 0.8 percent in January, broadly unchanged from 0.9 percent a year ago. Looking ahead, headline inflation is expected to gradually rise over the course of 2026 as the effects of the lower VAT rate adjustments and the bus fare subsidy continue to unwind. Inflation is projected to be between 2.5 – 3.0 percent at the end of this year, assuming no major shocks.

Foreign reserves remain adequate at around \$3.6 billion (27/02), sufficient to cover 5.2 months of retained imports and are projected to remain sufficient over the medium term.

Moving forward, both global and domestic risks persist. These include any potential increase in commodity prices stemming from geopolitical

<sup>11</sup> Includes Gold doré and concentrates.

<sup>12</sup> Core inflation is a measure that focuses on underlying and persistent trends in inflation by excluding prices of volatile items

(food and energy) from the Consumer Price Index basket. This calculation is internally estimated by the RBF staff.

tensions in the Middle East, as well as the likelihood of any natural disasters given that the cyclone season has not yet concluded. In addition, the introduction of the US visa bond requirements, potential interest rate hikes by trading partners, and travel advisories (including DFAT's advisory related to the HIV outbreak) could impact visitor arrivals. Collectively, these developments may exert downward pressure on the projected 3.0 percent growth rate for the year.

The Reserve Bank of Fiji assesses that the current interest rate is appropriate, with inflation and foreign reserves remaining intact, thus, the Overnight Policy Rate was maintained at 0.25 percent in February.

## **RESERVE BANK OF FIJI**

## FIJI: ECONOMIC &amp; FINANCIAL STATISTICS

## KEY INDICATORS

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

	Jan-25	Oct-25	Nov-25	Dec-25	Jan-26
Visitor Arrivals	0.7	0.1	0.3	0.3	0.3
Electricity Production	2.2	0.1	0.5	0.7	10.8
Gold production <sup>1)</sup>	-15.0	-27.7	-28.2	-29.2	-38.9
Gold production <sup>2)</sup>	-15.0	14.0	15.6	15.9	49.4
Cane Production <sup>3)</sup>	n/a	-2.9	4.2	10.9	n/a
Sugar Production <sup>3)</sup>	n/a	-16.9	-14.1	-12.0	n/a
Pinewood Production	318.0	87.9	69.5	65.8	-22.4
Woodchips Production <sup>4)</sup>	n/a	2.5	-0.4	-0.7	-100.0
Sawn Timber Production <sup>4)</sup>	n/a	2.0	-7.0	-7.1	-100.0
Mahogany Production	24.1	67.4	53.5	46.2	23.7
Cement Production	-9.2	-2.6	n.a	n.a	n.a

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

	Jan-25	Oct-25	Nov-25	Dec-25	Jan-26
Net VAT Collections	16.4	0.5	-2.5	-3.8	-16.5
New Consumption Lending	29.8	24.1	20.6	20.4	-18.3
Vehicle Registrations	30.5	23.2	23.2	23.6	-0.5
<i>New Vehicle Registrations</i>	30.1	28.3	27.7	27.0	-8.7
<i>Secondhand Vehicle Registrations</i>	30.8	19.6	20.0	21.3	5.7
Inward Personal Remittances <sup>5)</sup>	29.8	3.3	1.8	2.6	n.a
Outward Personal Remittances	84.8	9.5	5.5	7.9	n.a
Electricity Consumption	1.9	2.2	2.5	2.4	9.8

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

	Jan-25	Oct-25	Nov-25	Dec-25	Jan-26
Domestic Cement Sales	10.9	-2.1	n.a	n.a	n.a
New Investment Lending	70.7	2.8	1.7	3.6	99.1
<i>Building &amp; Construction</i>					
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)

	Jan-25	Oct-25	Nov-25	Dec-25	Jan-26
RBF Job Advertisement Survey	-34.6	-6.4	-3.0	-4.1	16.1
Resident Departure by purpose >1yr above <sup>6)</sup>	-27.2	-13.9	-10.1	-7.9	-37.2

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

	Jan-25	Oct-25	Nov-25	Dec-25	Jan-26
All Items	2.5	-3.4	-1.4	0.0	-2.5
Food and Non-Alcoholic Beverage	7.8	-8.4	-3.9	0.1	-7.6
Alcoholic Beverages, Tobacco & Narcotics	3.3	3.9	3.8	6.4	8.3

**6. Reserves \*\*\***

(end of period)

	Jan-25	Oct-25	Nov-25	Dec-25	Jan-26
Foreign Reserves (\$m) <sup>8)</sup>	3,668.7	3,900.3	3,864.2	3,709.6	3,709.1
Months of retained imports of goods and non-factor services (MORI) <sup>9)</sup>	5.5	5.9	5.8	5.6	5.4

**7. Exchange Rates \*\*\***

(End of period, FSI equals)

	Jan-25	Oct-25	Nov-25	Dec-25	Jan-26
US dollar	0.4267	0.4361	0.4352	0.4399	0.4515
Australian dollar	0.6839	0.6655	0.6664	0.6569	0.6420
New Zealand dollar	0.7543	0.7596	0.7606	0.7592	0.7441
Euro	0.4091	0.3770	0.3753	0.3744	0.3775
Japanese Yen	65.73	67.19	68.03	68.83	69.12

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

	Jan-25	Oct-25	Nov-25	Dec-25	Jan-26
Banks' Demand Deposits (\$m)	2,164.8	2,241.1	2,148.9	1,884.8	1,925.6

**9. Money and Credit \*\*\***

(year-on-year % change)

	Jan-25	Oct-25	Nov-25	Dec-25	Jan-26
Broad Money	10.1	11.2	10.1	10.4	9.4
Net Foreign Assets	13.7	3.4	3.9	5.9	4.3
Net Domestic Credit	8.5	12.3	10.2	10.5	10.4
Private Sector Credit	11.8	9.8	9.2	8.4	10.5
Narrow Money	11.3	9.9	10.9	11.3	10.5

**10. Interest Rates (%) \*\*\***

(monthly weighted average)

	Jan-25	Oct-25	Nov-25	Dec-25	Jan-26
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.t	n.t	n.t	n.t	n.t
Lending Rate	4.55	4.48	4.50	4.49	4.48
Savings Deposit Rate	0.30	0.30	0.31	0.30	0.31
Time Deposit Rate	1.74	1.61	1.59	1.56	1.61
3 month Government T-Bills	0.15	0.20	0.20	0.20	0.20
12 month Government T-Bills	1.14	1.13	1.12	1.12	1.12
5-year Government Bond Yield	n.i	n.i	2.06	3.00	n.i
10-year Government Bond Yield	3.90	n.i	n.i	4.00	n.i

**11. Commodity Prices \*\*\*\***

(end of period)

	Jan-25	Oct-25	Nov-25	Dec-25	Jan-26
UK Gold Price/fine ounce (US\$)	2,835.0	3,996.5	4,254.9	4,341.1	4,745.1
CSCE No. 11 Sugar Spot Price/Global (US cents/pound)	19.4	14.4	15.2	15.0	14.3
Crude Oil/barrel (US\$)	76.8	65.1	63.2	60.9	70.7
FAO Food price index <sup>5)</sup>	124.7	126.4	125.2	124.3	123.9

**Note:**<sup>1)</sup> Gold dore<sup>2)</sup> Gold dore and gold concentrate<sup>3)</sup> As at 12th January 2026. [Cane: 10.9% & Sugar: -12.0%]<sup>4)</sup> No production in January 2026 due to planned maintenance.<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\$3,616.9m as at 27th Feb-26]

<sup>9)</sup> MORI is based on the Macroeconomic Committee forecast as at November 2025. [3.2 as at 27th Feb-26]<sup>10)</sup> Liquidity as at 26th Feb-26: F\$1,864.3m<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)