



International Economy

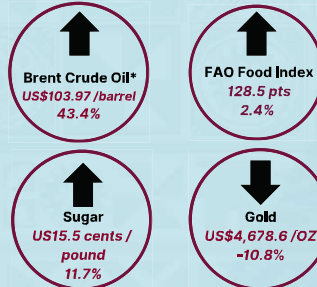
Global Economy



- Prolonged tension in the Middle East are disrupting oil and fertiliser supply routes, driving energy prices higher.
- The IMF April WEO downgraded the 2026 global growth outlook to 3.1 percent and revised global inflation upwards to 4.4 percent, cautioning that prolonged conflict or renewed trade frictions could weaken prospects.

Source: IMF April 2026 WEO Report

Commodity Prices : Mar end (M-O-M)

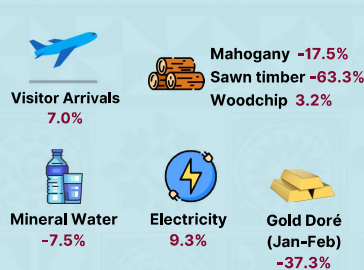


Sources: Bloomberg & FAO

*Brent Crude Oil US\$111.26 per barrel as of 28/04

Fijian Economy (Jan-Mar)

Sectoral



Sources: FBoS & Various Industries

Labour Market



- Job Advertisements** -27.6%
- Resident departure by purpose - above 1yr**
 - Employment -8.8%
 - Education/Training 20.9%
 - Emigration -17.0%

Sources: FBoS & RBF

Consumption

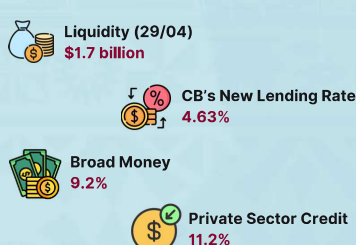
- Net VAT Collections -2.8%
- New Consumption Lending -23.0%
- Vehicle Registrations 10.7%*
- PAYE Tax 12.5%

- Investment**
 - New Investment Lending 68.2%

* Including new and second-hand vehicles

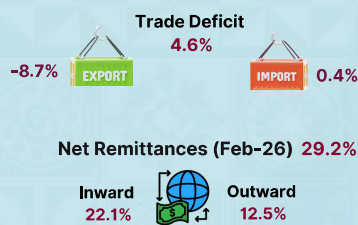
Sources: FRCS, RBF & Various Industries

Financial Conditions (Mar-26)



Source: RBF

External Trade (Jan-26)



Source: FBoS & RBF

Impact of Middle East conflict for Fiji

Conflict in the Middle East drives sharp **increases in global oil prices** that push up costs for chemicals, technology-related equipment, and global food markets.

Higher food and fuel prices weigh on Fiji's imports and tourism prospects, placing a downward bias on the 2026 growth prospects.

Source: RBF

Monetary Policy Objectives

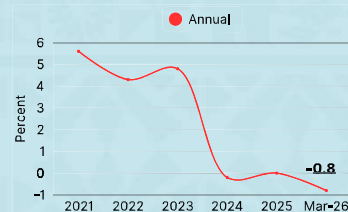
Foreign Reserves remain adequate



\$3.4 billion (30/04)
4.9 MORI

Source: RBF

Headline Inflation



Source: FBoS

Note: percentages are year-on-year changes, except commodity prices.

Overnight Policy Rate



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



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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Month Ended April 2026

Prolonged tensions in Iran and the broader Middle East are increasingly influencing global trade and growth prospects. Disruptions to key supply routes for oil and fertilisers have heightened near-term risks, driving energy prices sharply higher and reinforcing expectations of elevated inflation and slower growth. Against this backdrop, the International Monetary Fund (IMF) in its April World Economic Outlook has revised its global growth forecast for 2026 downward from 3.3 percent in January to 3.1 percent, while global inflation is now projected at 4.4 percent compared to the 3.8 percent projected earlier in January. The IMF cautions that a sustained conflict or renewed trade frictions could further weaken global prospects. The effects of the war in Iran are uneven across regions: reports indicate that rising fuel and fertiliser costs are exacerbating food insecurity in parts of Africa, several Asian economies are experiencing shortages, and Europe is contending with persistently high energy prices.

The ongoing conflict in the Middle East has significantly affected global commodity markets since late February 2026. **Brent crude oil prices**, surged immediately at the onset of the war, reaching US\$103.97 at the end of March (month-on-month: 43.4%; year-on-year: 39.1%) and remained elevated at US\$101.91 as of 22 April. These developments reflect Iran continued restriction on shipping through the Strait of Hormuz, alongside a US naval blockade of Iranian ships implemented in April 2026. In tandem, the **FAO¹ Food Price Index** rose for the

second consecutive month in March to 128.5 points (month-on-month: 2.4%; year-on-year: 1.0%), with all major food commodity groups registering increases, including **sugar** (m-o-m: 11.7%; y-o-y: -17.7%). The stronger monthly increases were driven by higher global fuel and fertiliser prices, energy-linked ethanol dynamics, which have also reduced expectations of global supply surpluses. In contrast, **gold** prices fell by 10.8 percent to US\$4,678.6/oz over the month, reflecting a stronger US dollar and short-term profit taking.

Domestically, Fiji's tourism sector continues to perform strongly, providing vital support to overall economic activity. The industry welcomed 196,177 visitors in the first quarter of the year, representing an annual growth of 7.0 percent. This expansion was driven primarily by arrivals from Australia and New Zealand, while visitor numbers from Pacific Island countries recorded a decline. The outlook for the sector remains favourable, underpinned by steady forward bookings and positive sentiment among industry stakeholders. However, a sustained rise in global fuel prices could increase travel costs, potentially tempering demand from key source markets.

Sectoral performance was mixed in the year to March. The timber industry recorded generally subdued outcomes, particularly in mahogany, pinewood, and sawn timber, although woodchip production registered growth. Gold doré² and mineral water output, so far, experienced a slow start to the year, whereas electricity production

¹ Food and Agriculture Organisation.

² 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.

expanded up to February. In terms of aggregate demand, partial indicators point to some easing in consumption during the review period, though activity continues to be supported by higher household incomes, increased employment and strong inward remittances. Conversely, investment activity remained broadly positive, supported by an increase in new investment lending and lower building material prices. However, expected increases in business operating costs, energy prices, ongoing skilled labour constraints, and policy uncertainty in an election year may weigh on investment conditions going forward.

Financial conditions remained supportive of credit activity, supported by the ample banking system liquidity of around \$1.7 billion as of 29 April, aiding in sustaining a low-interest environment. Broad money expanded by 9.2 percent in March, largely driven by the strong increase in private sector credit (11.2%) with lending concentrated around the households, real estate and the wholesale, retail, hotels and restaurant sectors.

On the external front, Fiji's merchandise trade deficit widened by 4.6 percent to \$473.2 million in January, reflecting a modest growth in imports (0.4%) and a sharp contraction in exports (-8.7%). Import growth was underpinned by higher manufactured goods, and food & live animal imports. In contrast, the fall in exports was attributed to a decline in mineral water and re-exported commodities,³ which outweighed the increases in exports of gold doré and concentrates.⁴

Personal remittances continue to provide important support to domestic consumption and foreign reserves. Inward remittances registered a strong growth of 22.1 percent in the year to February, amounting to \$274.2 million. On the other hand, outward remittances increased by 12.5 percent to \$110.1 million in the same period, mostly driven by transfers associated

with migrant workers. As growth in inward remittances outpaced the outward flows, net remittances rose by 29.2 percent, settling at \$164.2 million.

Headline inflation stood at -0.8 percent in March, lower than the -0.5 percent recorded in February and -0.4 percent in the same period last year. The outcome reflects declines in food and fuel prices in the month of March, as well as the continuing impact of the August 2025 VAT rate cut, which more than offset notable increases in the prices of kava and alcohol. However, the increase in domestic fuel prices in April, together with the impact of Tropical Cyclone Vaianu, is expected to feed through to domestic prices, exerting upward pressure on inflation from April and in the months ahead. With global fuel supply risks remaining volatile and prices elevated, the inflation outlook continues to be tilted to the upside.

Elevated global oil prices also continue to weigh on Fiji's foreign reserve (FR) position, posing risks to the country's external stability. Despite these pressures, reserves remain adequate at \$3.4 billion as of 30 April, equivalent to 4.9 months of retained imports, and are projected to remain sufficient over the medium term. However, risks are heavily tilted to the downside as ongoing volatility in global fuel markets and rising freight costs heighten the likelihood of reserve pressures emerging sooner than earlier anticipated.

Looking ahead, the conflict in the Middle East has emerged as a significant source of risk to both global and domestic economic outcomes. The ongoing hostilities have driven sharp increases in oil prices, with spillover effects evident across chemicals, technology-related equipment, and global food markets. With the ceasefire agreement remaining fragile and both parties showing limited willingness to compromise, the risk of an extended conflict and its adverse consequences persist. Consequently,

³ Largely the re-exports of fresh fish, machinery & transport equipment, and mineral fuel.

⁴ Gold concentrates are partially processed gold ores that have been crushed and treated to increase gold content, usually by gravity or flotation.

the magnitude of the impact on the Fijian economy will be largely determined by the duration and severity of the conflict. As an import dependent country, Fiji faces elevated risks through higher food and fuel prices, which also impact our tourism industry. As such, the current growth outlook of 3.0 percent for the Fiji economy for 2026 is downward biased.

Amidst these developments, the Reserve Bank of Fiji has assessed that maintaining the current policy rate at 0.25 percent remains appropriate as its core objectives of maintaining low and stable inflation and safeguarding foreign reserves remain within comfortable levels. The Bank will continue to closely monitor evolving conditions and their impacts, and stands ready to take necessary measures, if required, to safeguard macroeconomic stability in line with its mandate.

RESERVE BANK OF FIJI

FIJI: ECONOMIC & FINANCIAL STATISTICS

KEY INDICATORS

1. Sectoral Performance Indicators *

(year-on-year % change) ^{1/}

	Mar-25	Dec-25	Jan-26	Feb-26	Mar-26
Visitor Arrivals	-5.3	0.3	0.3	4.1	7.0
Electricity Production	0.3	0.7	10.8	10.1	9.3
Gold production ^{1/1}	-21.2	-32.3	-46.4	-37.3	n.a
Gold production ^{2/}	19.3	12.9	57.2	1.5	n.a
Pinewood Production	143.4	65.8	-22.4	10.9	-1.6
Woodchip Production	192.6	-0.7	-100.0	5.9	3.2
Sawn Timber Production	123.5	-7.1	-100.0	-89.9	-63.3
Mahogany Production	149.8	46.2	23.7	-8.4	-17.5
Cement Production	-10.5	-3.5	18.6	n.a	n.a

2. Consumption Indicators *

(year-on-year % change)

	Mar-25	Dec-25	Jan-26	Feb-26	Mar-26
Net VAT Collections	11.7	-3.8	-16.5	-4.3	-2.8
New Consumption Lending	62.3	20.4	-18.3	-27.7	-23.0
Vehicle Registrations	34.0	23.6	-0.5	5.1	10.7
New Vehicle Registrations	38.1	27.0	-8.7	-1.5	10.3
Secondhand Vehicle Registrations	31.0	21.3	5.7	10.1	11.0
Inward Personal Remittances ^{3/}	10.4	2.6	13.2	22.1	n.a
Outward Personal Remittances	19.2	7.9	5.8	12.5	n.a
Electricity Consumption	0.6	2.4	9.8	n.a	n.a

3. Investment Indicators *

(year-on-year % change)

	Mar-25	Dec-25	Jan-26	Feb-26	Mar-26
Domestic Cement Sales	26.9	-17.8	23.6	n.a	n.a
New Investment Lending	25.8	3.6	99.1	96.8	68.2
Building & Construction ^{4/}					
Completion Certificates Issued					
Number	-34.1	-29.3	n/a	n/a	n.a
Value	-32.2	71.5	n/a	n/a	n.a
Building Permits Issued					
Number	11.3	7.5	n/a	n/a	n.a
Value	-21.5	4.9	n/a	n/a	n.a
Value of work put in place	6.7	10.4	n/a	n/a	n.a

4. Labour Market

(year-on-year % change)

	Mar-25	Dec-25	Jan-26	Feb-26	Mar-26
RBF Job Advertisement Survey	-0.3	-4.1	16.1	-11.9	-27.6
Resident Departure by purpose >1yr above ^{4/}	-28.2	-7.9	-37.2	-15.7	1.1

5. Consumer Prices **

(year-on-year % change) ^{7/}

	Mar-25	Dec-25	Jan-26	Feb-26	Mar-26
All Items	-0.4	0.0	-2.5	-0.5	-0.8
Food and Non-Alcoholic Beverage	-2.0	0.1	-7.6	-1.5	-1.9
Alcoholic Beverages, Tobacco & Narcotics	3.1	6.4	8.3	9.5	12.2

6. Reserves ***

(end of period)

	Mar-25	Dec-25	Jan-26	Feb-26	Mar-26
Foreign Reserves (\$m) ^{8/}	3,521.0	3,709.6	3,709.1	3,617.6	3,450.1
Months of retained imports of goods and non-factor services (MO)	5.3	5.6	5.4	5.2	5.0

7. Exchange Rates ***

(End of period, FS1 equals)

	Mar-25	Dec-25	Jan-26	Feb-26	Mar-26
US dollar	0.4297	0.4399	0.4515	0.4514	0.4413
Australian dollar	0.6829	0.6569	0.6420	0.6349	0.6444
New Zealand dollar	0.7514	0.7592	0.7441	0.7542	0.7719
Euro	0.3971	0.3744	0.3775	0.3825	0.3851
Japanese Yen	64.35	68.83	69.12	70.46	70.48

8. Liquidity ****

(end of period) ^{10/}

	Mar-25	Dec-25	Jan-26	Feb-26	Mar-26
Banks' Demand Deposits (\$m)	1,989.7	1,884.8	1,925.6	1,834.0	1,723.8

9. Money and Credit ***

(year-on-year % change)

	Mar-25	Dec-25	Jan-26	Feb-26	Mar-26
Broad Money	7.3	10.5	9.5	9.6	9.2
Net Foreign Assets	12.1	5.8	4.8	4.1	1.3
Net Domestic Credit	6.0	11.4	10.7	10.5	11.0
Private Sector Credit	11.1	9.4	10.5	10.4	11.2
Narrow Money	7.1	11.3	10.7	10.8	11.0

10. Interest Rates (%) ***

(monthly weighted average)

	Mar-25	Dec-25	Jan-26	Feb-26	Mar-26
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.i	n.i	n.i	n.i	n.i
Lending Rate	4.55	4.49	4.51	4.49	4.63
Savings Deposit Rate	0.30	0.30	0.31	0.32	0.30
Time Deposit Rate	1.74	1.56	1.61	1.63	1.67
3 month Government T-Bills	n.i	0.20	0.20	n.i	n.i
12 month Government T-Bills	n.i	1.12	1.12	n.i	1.12
5-year Government Bond Yield	n.i	2.06	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)

	Mar-25	Dec-25	Jan-26	Feb-26	Mar-26
UK Gold Price/fine ounce (US\$)	3,154.8	4,341.1	4,745.1	5,247.9	4,678.6
CSCE No. 11 Sugar Spot Price/Global (US cents/pound)	18.9	15.0	14.3	13.9	15.5
Crude Oil/barrel (US\$)	74.7	60.9	70.7	72.5	104.0
FAO Food price index ^Δ	127.2	124.5	124.1	125.5	128.5

Notes:

^{1/} Gold dore^{2/} Gold dore and gold concentrate^{3/} The 2025 crushing season officially ended on 12th January, 2026 but do not have data for Jan added in the table.^{4/} 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^{5/} these indicators are provided on a quarterly basis.^{6/} Resident departure by purpose includes Employment, Education/ Training, Emigration & Others^{7/} 2019 release.^{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\$34b as at 30th^{9/} MOBI is based on the Macroeconomic Committee forecast as of November 2025, 4.9 as at 30th Apr-26)^{10/} Liquidity as at 29th Apr-26: F\$1.7b^{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

Δ Food and Agriculture Organization (FAO)