RBF JULY 2026 ECONOMIC REVIEW
at a glance

International Economy

Global Economy

IMF July WEO Update (2026 Outlook):

Global Growth
3.0%

Global Inflation
4.7%

- Ongoing Middle East tensions, a high likelihood of El Niño, and renewed U.S. tariffs (12.5%) on key partners—including Australia and New Zealand—continue to heighten global economic uncertainty.
- Geopolitical shifts and stronger regional security partnerships in the Pacific.

Source: IMF's July WEO, news outlet

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

Brent Crude Oil*
US$72.92 /barrel
-20.8%

FAO Food Index
130.3pts
-0.3%

Sugar
US14.82 cents / pound
5.4%

Gold
US$4,038.50 /OZ
-12.1%

Sources: Bloomberg & FAO

Brent Crude Oil US$89.03 per barrel as of 30/07

Fijian Economy (Jan-Jun)

Sectoral

Visitor Arrivals
3.8%

Mineral Water
1.2%

Electricity Generation
5.3%

Cane
-0.02%*

Sugar
2.5%*

Gold Doré
-21.8%

Mahogany -27.4%
Sawn Timber -54.7%
Woodchip -15.1%

** As at 20th July, 2026*

Sources: FBoS & various Industries

Labour Market

Job Advertisements -26.9%

Resident departure (above 1yr) 6.5%
- Employment **17.1%**
- Education/training **5.8%**
- Permanent emigration **-17.4%**

Labour mobility schemes (PALM & RSE) 14.8%

Sources: RBF, FBoS & Ministry of Employment, Productivity, and Workplace Relations

Consumption

- New Consumption Lending **0.5%**
- Total Vehicle Registrations **10.4%**
- Electricity Consumption **4.9%**

Investment

- New Investment Lending **54.5%**
- Construction-related imports (Jan-May) **20.6%**
- Domestic Cement Sales (Jan-May) **41.6%**
- Building Materials Price Index (Q2, 2026) **-2.4%**
- Estimated Value of work done (Q1, 2026) **11.3%**

Sources: RBF, EFL, FBoS & various industries

Financial Conditions (Jun-26)

Liquidity (30/07)
$2.0 billion

Private Sector Credit
14.4%

Source: RBF

External Trade

Trade Deficit (Jan-May)
20.6%

Exports
12.3%

Imports
17.7%

Net Remittances 32.9%

Sources: FBoS & RBF

Risk to the Outlook

- Slower growth in key trading partners may reduce demand for Fiji's tourism and exports.
- Higher global commodity prices may continue to put upward pressure on domestic costs.
- El Niño-induced dry weather conditions poses a threat to agricultural production, energy generation, and other climate-sensitive sectors.

Source: RBF

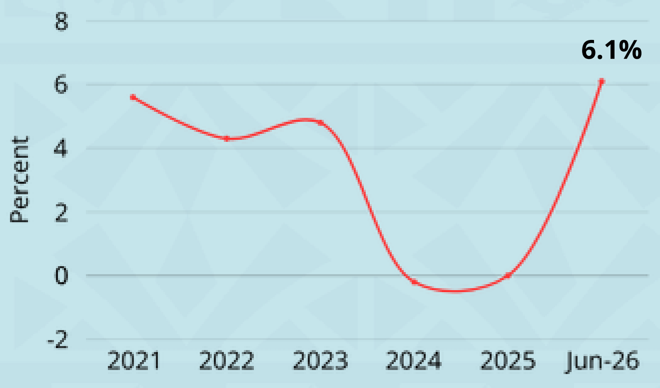
Monetary Policy Objectives

Foreign reserves

$3.9 billion (31/07)
5.4 MORI

Source: RBF

Annual 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 July meeting.

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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.

Vol. 44 No. 07 Month Ended July 2026

The global economic outlook has weakened further, with growth forecasts revised downward and inflation projections adjusted upward amid persistent geopolitical tensions and trade disruptions that continue to exert supply-side pressures. According to the International Monetary Fund's (IMF) July World Economic Outlook Update, global growth is now projected at around 3.0 percent in 2026, 0.1 percentage point lower than the April forecast. Growth in advanced economies is expected to remain subdued while Emerging Market and Developing Economies (EMDEs) are anticipated to continue to support overall activity. Global inflation is forecast to remain elevated at around 4.7 percent, reflecting persistent price pressures, particularly across EMDEs. The IMF cited that the full pass-through of higher input, energy and production costs has yet to be fully realised, creating the potential for additional second-round inflationary effects. In response many countries have strengthened fiscal measures and real sector interventions, alongside monetary policy efforts aimed at containing inflation and supporting growth.

Additionally, trade-related uncertainty remains elevated after the United States (US) announced (23 July) new tariffs on imports from sixty economies for allegedly failing to effectively ban the importation of goods made with forced labour. While Fiji has not been targeted, several of its key trading partners, notably Australia and New Zealand, will be subject to higher tariffs of 12.5 percent. This development adds to downside risks facing key economies over the remainder of the year.

Within the Pacific, evolving geopolitical dynamics and strengthened regional security partnerships continue to influence the broader economic, trade and investment landscape, shaping both opportunities and risks for the regional economy.[1]

Global commodity prices generally eased in June, except for sugar. Brent crude oil prices fell sharply by 20.8 percent over the month to US$72.92 per barrel at June-end, largely reflecting improved supply expectations following the announcement of a peace agreement between the US and Iran. However, prices subsequently rose, reaching US$100.69 per barrel on 23 July before moderating to US$89.03 per barrel on 30 July. Nevertheless, prices remained elevated relative to the end-June level. The increase was driven by renewed tensions[2] in the Strait of Hormuz, Houthi attacks on shipping routes in the Red Sea and escalating Ukrainian strikes on Russian fuel infrastructure. These developments heightened concerns over potential disruptions to global oil supplies and intensified uncertainty in energy markets. Meanwhile, gold prices declined by 12.1 percent over the month to US$4,038.50 per fine ounce at June-end. However, prices subsequently

[1] On 6 July, Fiji and Australia endorsed the Ocean of Peace Alliance, a mutual defence pact aimed at strengthening regional security cooperation amid rising geopolitical competition, strategic influence, and security concerns in the Pacific. This endorsement implicates on regional investments, trade and economic partnership.

[2] In early-July, the tentative US-Iran memorandum of understanding and ceasefire arrangements collapsed after both sides accused each other of violating the agreement and renewed military strikes reignited hostilities.

increased to US$4,050.20 per fine ounce as of 24 July, supported by increased safe-haven demand amid renewed geopolitical tensions. Heightened uncertainty in global financial markets prompted investors to seek the safe-haven security of gold, contributing to the recovery in prices. The FAO Food Price Index declined by 0.3 percent to 130.3 points in June, driven by lower sugar, cereal, and dairy prices.[3] Despite the monthly decline, the index remained 1.7 percent higher than its level a year earlier, suggesting that underlying pressures on global food prices persist. While sugar prices were weighed down during most of June by ample supplies, prices recovered toward the end of the month and continued to rise in early July. Sugar prices increased by 5.4 percent over the month to US14.82 cents per pound at June-end, supported by higher energy prices that boosted demand for ethanol and constrained global sugar supply. However, favourable weather conditions and improved production prospects in major producing countries are expected to ease prices, although elevated crude oil prices may limit the decline.

More broadly, commodity markets remain highly sensitive to geopolitical developments, particularly in the Middle East, where ongoing tensions continue to influence energy and food prices. In addition, adverse weather conditions in several regions are disrupting agriculture production and supply chains, with potential implications for global inflation, trade flows and overall economic activity. These factors suggest that commodity price volatility is likely to remain elevated in the near term.

Domestically, economic performance remained mixed across sectors, with industry-specific challenges continuing to weigh on output. The 2026 sugarcane crushing season commenced on a weaker footing due to a number of challenges including harvesting and delivery delays, grower concerns over cane prices and labour shortages. While these factors weighed on early seasonal performance, output improved by the third week of crushing. As a result, despite a marginal decline in cane throughput (-0.02%) compared to the corresponding period of the previous crushing season, sugar production increased by 2.5 percent. Output from the timber industry remained subdued as sawn timber (54.7%), mahogany (-27.4%) and woodchip (-15.1%) fell cumulative to June. During the same period, gold doré production contracted by 21.8 percent, although this was offset by higher gold concentrate production, which supported overall mine output.[4] Cumulative mineral water output increased modestly by 1.2 percent in the year to June, indicating a sustained recovery in production following a prolonged period of contraction. Electricity generation and consumption both rose by 5.3 percent and 4.9 percent, respectively, up to June, supported by a growing number of grid connections. Despite the increase in overall generation, the share of renewable energy to total generation declined further (to 51.9% from 60.2% in June 2025). On a monthly basis, both electricity output (-11.6%) and consumption (-9.6%) fell in June, reflecting planned outages by Energy Fiji Limited (EFL) to facilitate maintenance and network upgrades, as well as the impact of the EFL fuel surcharge on electricity usage.

After recording year-on-year declines in April and May, visitor arrivals rebounded by 6.3 percent in June, driven by strong inflows from Australia, the US and Canada. Arrivals were also 15.4 percent higher on a monthly basis compared to May, consistent with the usual seasonal pattern. As a result, cumulative visitor arrivals for the first half of the year grew by 3.8

[3] The FAO Food Price Index is based on monthly average international prices for a basket of food commodities. Source: https://www.fao.org/worldfoodsituation/foodpricesindex/en/

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

percent (to 460,628 visitors) compared to the same period last year.

Labour market indicators suggest that hiring demand is easing, while supply constraints remain elevated. The number of job advertisements in newspapers fell by 26.9 percent up to June, primarily reflecting weaker hiring demand in the community, social & personal services sector.[5] At the same time, outward migration pressures persist, as resident departures (for more than 1 year) rose by 6.5 percent up to June, driven by higher departures across employment (17.1%) and education/training (5.8%) which offset the declines in permanent emigration (-17.4%). Temporary migration under seasonal worker schemes increased sharply (14.8%) driven by higher demand for the PALM's short and long-term schemes and RSE placements.[6]

Consumption activity while positive has shown signs of moderation. In the year to June, total vehicle registrations increased by 10.4 percent driven by higher registrations for both new (11.9%) and second-hand vehicles (9.2%), supported by increased household lending for personal transport (0.9%) and higher road vehicle imports up to April (12.9%). However, vehicle demand may soften in the months ahead following the increase in import duties[7] Moreover, new consumption-related lending picked up marginally by 0.5 percent, after five months of contraction, driven by stronger household borrowing (15.7%) while credit uptake by the wholesale, retail, hotels and restaurants sector continued to decline (-1.9%). Consumer spending is expected to ease further as higher living costs weigh on household purchasing power and demand.

Partial indicators suggest that investment activity continues to hold up, supported by ongoing construction activity and strong growth in investment lending. New investment lending increased strongly by 54.5 percent up to June, driven by higher lending to the real estate (63.8%) and building & construction (67.1%) sectors. In addition, domestic cement sales and construction-related imports expanded by 41.6 percent and 20.6 percent, respectively, up to May alongside an 11.3 percent rise in the value of work done in the first quarter of 2026. Meanwhile, average building material prices fell by 2.4 percent up to the June quarter, driven by broad-based declines across most categories, although prices recorded a modest quarterly increase of 0.6 percent.

Financial conditions remain supportive of credit growth and economic activity, underpinned by ample banking system liquidity of around $2.0 billion (as at 30 July) which has helped keep lending rates low. Broad money expanded in June (9.0%), driven by a notable rise in private sector credit (14.4%).

On the external front, Fiji's merchandise trade deficit widened further, increasing by 20.6 percent to $2,222.2 million cumulative to May, reflecting stronger growth in imports relative to exports. Total imports rose by 17.7 percent to $3,345.1 million, largely driven by higher imports of mineral fuels, machinery and transport equipment, and miscellaneous manufactured goods. Notwithstanding the wider trade deficit, total exports increased by 12.3 percent in May to $1,122.9 million, underpinned by robust growth in domestic exports (26.5 percent), particularly for sugar and gold concentrates. This more than offset the decline in re-exports of 3.3 percent.

Remittances continued to grow in the year to June, with inflows rising by 26.3 percent to $875.2 million while outflows increased by 15.0 percent to $293.7 million. As a result, net

[5] This partly reflects the Government's policy of maintaining a freeze on recruitment for vacant positions.

[6] Pacific Australia Labour Mobility and Recognised Seasonal Employer Scheme (New Zealand).

[7] Import excise duty on new vehicles to increase from 5.0 percent to 10.0 percent and on used vehicles from 5.0 percent to 15.0 percent, effective from 26 June 2026. However, fiscal duty on new 10–15-seater passenger vans will reduce from 5.0 percent to zero.

remittances grew by 32.9 percent to $581.5 million, reflecting the faster pace of growth in inflows relative to outflows. The sustained expansion in inward remittances reflects the growing Fijian diaspora, continued participation in overseas employment schemes, and improved access to digital and fintech-based remittance services. Meanwhile, the increase in outward transfers reflect the rising number of migrant workers residing in Fiji.

Household consumer prices rose further in June, with annual headline inflation increasing to 6.1 percent, from 3.9 percent in May and -1.2 percent a year earlier. The increase was driven mainly by higher prices for transport (reflecting higher fuel prices), alcoholic beverages, tobacco & narcotics (mainly for kava), housing & utilities (reflecting higher prices for kerosene, gas & electricity) and food & non-alcoholic beverages. Similarly, core inflation (excluding food & fuel items) also rose to 2.1 percent in June, signaling firmer underlying price pressures. While lower domestic fuel prices in July are expected to provide temporary relief, inflationary pressures will remain elevated due to second-round effects from earlier cost increases and other domestic policy changes, including higher vehicle import duties and increased taxi fares. As a result, headline inflation is projected to remain above 6.0 percent by the year-end.

Foreign reserves remained comfortable at around $3.9 billion as of 31 July, sufficient to cover 5.4 months of retained imports. In the near term, reserve levels will continue to be supported by anticipated external financing inflows, although higher mineral fuel payments are expected to exert some downward pressure. Despite this, reserves are expected to remain adequate over the medium term

Risks to the outlook remain elevated. Slower growth among Fiji's major trading partners could weaken demand for tourism and exports, while higher global commodity prices may continue to exert upward pressure on cost of living and reserve levels through higher import costs. Geopolitical tensions, including the renewed conflict between the US and Iran, could further disrupt global trade and energy markets, adding to external vulnerabilities. In addition, the risk of El Niño-induced dry conditions poses a threat to agricultural production, energy generation, fishing activities and other climate-sensitive sectors, creating further downside risks to economic activity.

Against the backdrop of a slower growth outlook and elevated price pressures, driven largely by higher import prices, a continued accommodative monetary policy stance remains appropriate. With these considerations, the Reserve Bank of Fiji decided to maintain the Overnight Policy Rate at 0.25 percent at its July Board meeting. This policy setting is expected to support domestic economic activity while helping to preserve macroeconomic and financial stability amid heightened global uncertainty. The RBF will continue to closely monitor domestic and international developments and remains prepared to take appropriate policy action, as necessary, to safeguard macroeconomic stability, in line with its mandate.

RESERVE BANK OF FIJI

FIJI: ECONOMIC & FINANCIAL STATISTICS

KEY INDICATORS

	Jun-25	Mar-26	Apr-26	May-26	Jun-26
1. Sectoral Performance Indicators * (cumulative year-on-year % change) [3/]					
Visitor Arrivals	-0.8	7.0	4.6	3.1	3.8
Electricity Production	0.4	9.3	7.4	6.3	5.3
Gold production [1/]	-25.5	-33.8	-31.6	-34.1	-21.8
Gold production [2/]	10.6	-2.4	15.0	4.7	3.1
Pinewood Production	136.0	-1.6	-3.3	-4.5	-5.1
Woodchip Production	42.9	3.2	4.5	-8.5	-15.1
Sawn Timber Production	50.6	-63.3	-61.3	-61.7	-54.7
Mahogany Production	96.4	-17.5	-23.1	-24.9	-27.4
Cement Production	-11.8	17.2	34.1	55.5	n.a
2. Consumption Indicators * (cumulative year-on-year % change)					
Net VAT Collections	7.9	-2.8	-0.6	-0.9	1.6
New Consumption Lending	31.2	-23.0	-11.0	-4.7	0.5
Vehicle Registrations	22.5	10.7	11.2	8.9	10.4
New Vehicle Registrations	31.4	10.3	10.4	8.9	11.9
Secondhand Vehicle Registrations	16.1	11.0	11.9	9.0	9.2
Inward Personal Remittances [4/]	11.5	22.8	25.2	25.0	26.3
Outward Personal Remittances	11.7	14.2	16.9	16.3	15.0
Electricity Consumption	1.8	6.9	6.6	5.6	4.9
3. Investment Indicators * (cumulative year-on-year % change)					
Domestic Cement Sales	-14.4	16.4	23.0	41.6	n.a
New Investment Lending	0.6	68.2	68.1	55.5	54.5
Building & Construction [5/]					
Completion Certificates Issued					
Number	-35.0	30.4	n/a	n/a	n.a
Value	254.7	133.5	n/a	n/a	n.a
Building Permits Issued					
Number	15.9	12.1	n/a	n/a	n.a
Value	2.8	246.4	n/a	n/a	n.a
Value of work put in place	10.0	11.3	n/a	n/a	n.a
4. Labour Market (cumulative year-on-year % change)					
RBF Job Advertisement Survey	-9.8	-27.6	-24.9	-22.4	-26.9
Resident Departure by purpose >1yr above [6/]	-23.6	1.1	13.2	8.1	6.5
5. Consumer Prices ** (year-on-year % change) [7/]					
All Items	-1.2	-0.8	1.8	3.9	6.1
Food and Non-Alcoholic Beverage	-2.0	-1.9	0.0	3.0	1.5
Alcoholic Beverages, Tobacco & Narcotics	2.5	12.2	12.9	12.5	14.6
Transport	-5.8	-8.8	1.1	7.5	19.3
6. Reserves *** (end of period)					
Foreign Reserves ($m) [8/]	3,756.1	3,450.1	3,373.5	3,447.6	3,465.7
Months of retained imports of goods and non-factor services (MORI) [9/]	5.7	4.8	4.7	4.8	4.8
7. Exchange Rates *** (End of period, F$1 equals)					
US dollar	0.4415	0.4413	0.4488	0.4504	0.4410
Australian dollar	0.6754	0.6444	0.6304	0.6305	0.6401
New Zealand dollar	0.7300	0.7719	0.7697	0.7630	0.7801
Euro	0.3762	0.3851	0.3844	0.3873	0.3859
Japanese Yen	63.75	70.48	72.00	71.86	71.42
8. Liquidity *** (end of period) [10/]					
Banks' Demand Deposits ($m)	2,110.3	1,723.8	1,622.4	1,611.5	1,690.5
9. Money and Credit *** (year-on-year % change)					
Broad Money	8.5	9.6	11.2	11.5	9.0
Net Foreign Assets	18.0	1.3	0.9	-3.0	-9.5
Net Domestic Credit	6.1	11.5	13.1	15.4	14.6
Private Sector Credit	8.8	11.7	12.5	14.0	14.4
Narrow Money	9.0	11.2	11.8	12.0	9.1
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	4.55	4.50	4.49	4.48	4.46
Savings Deposit Rate	0.31	0.30	0.31	0.30	0.31
Time Deposit Rate	1.73	1.67	1.70	1.79	1.89
3 month Government T-Bills	n.i	n.i	n.i	n.i	n.i
12 month Government T-Bills	n.i	1.12	1.13	1.15	n.i
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. External Sector ****					
Merchandise exports	12.9	-3.7	7.0	12.3	n.a
Merchandise imports	5.0	9.2	17.3	17.7	n.a
Trade deficit	1.0	16.7	22.9	20.6	n.a
11. Commodity Prices **** (end of period)					
UK Gold Price/fine ounce (US$)	3,307.7	4,678.6	4,629.6	4,593.0	4,038.5
CSCE No. 11 Sugar Spot Price/Global (US cents/pound)	16.2	15.5	14.6	14.1	14.8
Crude Oil/barrel (US$)	67.6	104.0	114.0	92.1	72.9
FAO Food price index ^	128.1	128.7	131.0	130.8	130.3

Note:

[1/] Gold doré

[2/] Gold doré and gold concentrate

[3/] The 2026 crushing season commenced on the 01 July, 2026.

[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 Balance of Payments definition.

[5/] These indicators are provided on a quarterly basis.

[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$3,861.9m as at 31st July-26]

[9/] MORI is based on the Macroeconomic Committee forecast as at June, 2026. [5.4 as at 31st July-26]

[10/] Liquidity as at 30th July, 2026: F$2,036.1

[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