

International Economy

GLOBAL ECONOMY



- Global economic activity remained resilient in the year to August, with growth supported by the services and manufacturing sectors
- Manufacturing growth was supported by investments in artificial intelligence, clean energy supply chains and advanced manufacturing industries
- The global outlook remains uncertain due to geopolitical, financial and climate-related risks such as El Niño

COMMODITY PRICES : AUG-END (M-O-M)

	Brent Crude Oil*	US\$90.49 /barrel 0.4%	↑
	Gold	US\$4,481.50 /fine ounce 9.1%	↑
	Sugar	US\$17.81 cents / pound 21.5%	↑
	FAO Food Index	133.3 pts 1.9%	↑

Sources: Bloomberg & FAO

*Price surged to US\$105.28 as of 28th September

Fijian Economy (Jan-Aug)

SECTORAL



Visitor Arrivals
▲ 3.7%



Electricity Generation
▲ 4.5%



Gold Concentrates
▲ 54.0%
Gold Doré
▼ 19.7%



Mineral Water
▲ 7.0%



Cane*
▼ 0.3%
Sugar*
▲ 12.5%



Mahogany ▼ 25.9%
Woodchip ▼ 5.8%
Sawn Timber ▼ 40.7%

Sources: FBoS & Various Industries

*As of 21st September

LABOUR MARKET



Formal Employment Registrations	▲ 1.9%
Job Advertisements	▼ 28.5%
Resident Departure (above 1yr)	▲ 2.5%
Labour Mobility Programmes	▲ 22.9%

Sources: FNPF, RBF, FBoS & Mins. of Employment

CONSUMPTION



New Consumption Lending	▲ 9.6%
Vehicle Registrations (Jan-Jul)	▲ 9.9%

INVESTMENT



New Investment Lending	▲ 32.4%
Domestic Cement Sales	▲ 29.5%
Construction-related imports (Jan-Jun)	▲ 42.6%
Building Permits Approval (597 permits - Jan-Jun)	▲ 10.6%

Sources: RBF & Various Industries

FINANCIAL CONDITIONS



Liquidity (29/09)
\$2.3 billion



Private Sector Credit (August)
▲ 13.8%

Financial conditions were conducive to economic activity which helped keep lending rates relatively low

Source: RBF

EXTERNAL SECTOR



Trade Balance (Jan-Jun)
▼ 31.2%



Imports
▲ 23.8% (Jan-Jun)



Exports
▲ 10.8% (Jan-Jun)



Inward Remittances
▲ 32.7%



Outward Remittances
▲ 13.0%



Net Remittances
▲ 45.1%

Sources: FBoS & RBF

OUTLOOK



Positive Drivers

- Tourism
- Construction
- Investment
- Private Sector Credit



Downside Risks

- Elevated Inflation
- Labour Shortages
- Climate Risks
- Global Economic Uncertainty

Source: RBF

Monetary Policy Objectives

FOREIGN RESERVES REMAIN COMFORTABLE



\$4.1 billion (30/09)
5.7 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%** at its September 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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Month Ended September 2026

Global economic activity remained resilient in the year to August despite ongoing challenges, supported by expansion in both the services and manufacturing sectors. Robust demand for digital and technology related services, investment in innovation, consumer spending and travel activity drove the increase in services activity, while growth in manufacturing activity was underpinned by investment in artificial intelligence technologies, clean energy supply chains and advanced manufacturing industries.¹ However the global outlook has become increasingly uncertain driven by tighter financial conditions, heightened geopolitical tensions and climate related risks like the developing El Niño conditions.

Monitored global commodity prices rose during the review period, primarily driven by supply-side pressures and continued uncertainty in commodity markets. Brent crude oil price rose in August (by 0.4% to US\$90.49) as ongoing geopolitical tensions in the Middle East heightened risks regarding global oil supplies. As of 24 September, prices had surged further to US\$104.32 per barrel as stalled US-Iran peace talks² and persistent attacks by Iran and Houthi rebels on Saudi Arabia left regional oil routes vulnerable and elevated oil supply concerns. The FAO Food Price Index rose by 1.9 percent over the month to 133.3 points at the end of August due to tighter global food supplies

and weather-related disruptions, amid uncertainties surrounding the developing El Niño could adversely affect agricultural production and future supply conditions. Gold prices rose by 9.1 percent over the month to settle at US\$4,481.50 per fine ounce at August-end, held-up by strong safe-haven demand and concerns surrounding global fiscal sustainability. Since then, gold prices have declined to US\$4,168.40 per ounce as of 28 September, following the Federal Reserve's rate hike, which reduced the appeal of non-interest-bearing assets such as gold. Similarly, sugar prices increased to US17.81 cents per pound at the end of August, driven by speculative buying in India amid perceived sugar supply shortages and higher demand as India enters its peak festive season.³ Looking ahead, sugar prices are projected to remain elevated led by the impacts of El Niño and volatile oil prices.⁴

Domestically, the Fiji Bureau of Statistics recently released the provisional Gross Domestic Product growth estimate for 2025, alongside revisions to the 2023 and 2024 growth outturns.⁵ According to the release the Fijian economy expanded by 2.5 percent in 2025 following revised growth rates of 3.6 percent in 2024 and 9.8 percent in 2023. Economic activity in 2025 was largely sustained by the services and industrial sectors. The economy remains on track to record modest but positive

¹ Advanced manufacturing industries are industries that produce technologically sophisticated products using cutting-edge production methods such as robotics and automation equipment, medical devices and biotechnology products and Semiconductor manufacturing, etc.

² Iran proposed a peace framework at the UN General Assembly, which was conveyed to the US through Qatari mediators; while President Trump rejected the proposal, further negotiations were expected to continue

³ India's sugar demand typically rises from August to November during major festivals, including Ganesh Chaturthi, Dussehra, and Diwali, as consumption of sweets and confectionery increases.

⁴ Higher oil prices improve ethanol profitability, incentivising mills to allocate more sugarcane to ethanol production. Ethanol is a sugarcane-based biofuel that competes with gasoline.

⁵ <https://www.statsfiji.gov.fj/fijis-gross-domestic-product-gdp-2025/>.

growth of 1.5 percent this year.⁶ Sectoral outcomes have varied in the review period, reflecting differing operating conditions and growth dynamics across sectors.

Tourism activity remained resilient despite higher airfares, and operating costs and tighter financial conditions in Fiji's trading partner economies. Visitor arrivals increased by 3.7 percent in the year to August to 666,382 visitors, largely supported by higher arrivals from Australia, the United States, Canada and Continental Europe.

As of 21 September 2026, sugar production increased by 12.5 percent despite a marginal 0.3 percent decline in cane crushed, attributed to improved milling efficiency across all mills and higher sugar extraction rates. Electricity generation also increased by 4.5 percent cumulative to August, although renewable energy generation declined (-12.7%) due to drier weather conditions impacting dam water levels. In addition, total mining output rose (7.4%) during the review period, as strong growth in gold concentrate production (54.0%) was recorded against a decline (-19.7%) in gold doré output. Mineral water production (7.0%) also increased over the same period, in line with the scheduled manufacturing plans. In contrast, activity in the forestry sector weakened, with lower production noted for mahogany (-25.9%), woodchips (-5.8%), and sawn timber (-40.7%) cumulative to August, largely impacted by higher fuel and transportation costs coupled with the adverse weather conditions over the review period.

Labour market conditions were mixed, with lower job advertisements cumulative to August (-28.5%) indicating softer hiring demand. However, outward migration pressures remained evident, proxied by increases in resident departures for more than one year (2.5%) and temporary migration for seasonal worker schemes (22.9%) highlighting the impact of migration and participation in overseas employment schemes. In addition, formal employment growth (1.9%) and wages (7.0%) up

to July suggest that labour shortages persist across several sectors.

Consumption activity continued to expand, driven by strong tourist arrivals and persistent household spending, with higher wages and resilient remittance inflows that reinforced incomes. In the year to August, consumption-related borrowings grew by 9.6 percent, supported by higher lending to the households (14.4%) and WRHR⁷(8.8%) sectors. Similarly, up to July, total vehicle registrations rose (9.9%), led by increases in new (12.9%) and second-hand (7.5%) vehicles and higher vehicle imports (14.0% up to June). Nevertheless, household spending remains under pressure due to elevated living costs and prevailing global uncertainties and its impact on prices.

Partial indicators suggest that investment and construction activity maintained momentum during the review period. Investment lending increased by 32.4 percent, domestic cement sales rose by 29.5 percent cumulative to August, while construction-related imports expanded by 42.6 percent up to June. Building permit approvals (by 10.6 percent to 597 permits) also increased in the first half of the year, indicating sustained interest in new construction projects. However, labour shortages, elevated business costs, approval delays and infrastructure-related constraints posed challenges to project implementation and completion.

Financial conditions were conducive to economic activity, underpinned by ample liquidity of around \$2,279.6 million as at 29 September. This provided a favourable environment for lending activity and helped keep lending rates relatively low. Against this backdrop, private sector credit noted an expansion (13.8%), driven by increased lending to households, real estate, WRHR and building & construction sectors in the review period.

On the external front, merchandise trade deficit widened significantly by 31.2 percent to \$2,876.8 million in the first half of 2026 amid higher growth in imports (23.8%) relative to exports (10.8%). The

⁶ As per the Macroeconomic Committee's June 2026 forecast, which is currently under review.

⁷ Wholesale, Retail, Hotels & Restaurants.

strong growth in imports reflects construction and investment-related demand alongside elevated global commodity prices, while the growth in export was supported by higher earnings from other crude materials, sugar, gold concentrates and mineral fuel re-exports. Cumulative to August, net remittances increased by 45.1 percent to \$823.9 million, as growth in inward remittances (32.7% to \$1215.1m) outpaced the expansion in outward remittances (13.0% to \$391.2m). The strong increase in inward personal remittances provides an important source of support for household incomes and domestic demand while also being a key source of foreign exchange earnings.

Looking at the Bank's twin monetary policy objectives, inflationary pressures remain high and volatile while reserve holdings expanded. Annual headline inflation rose to 7.6 percent in August from 5.7 percent in July, reflecting stronger domestic and imported prices. The outcome was driven mainly by higher prices recorded for food (particularly cassava, dalo & potatoes), transport (led by fuel & taxi fares), kava and utilities (mainly gas, kerosene & electricity costs). Inflation is expected to remain elevated and above 6.0 percent through year-end reflecting the sustained pass-through of higher global commodity prices, particularly fuel and food.

Foreign reserves stood at around \$4,086.4 million as of 30 September, sufficient to cover 5.7 months of retained imports, supported by external Government loan drawdowns, strong tourism earnings and remittance inflows. Foreign reserves are expected to remain adequate over the medium term. However, developments in global commodity prices, import demand and external financing conditions continue to warrant close monitoring.

The outlook for the economy this year remains positive and on track with expectations. However, risks to the outlook have become more challenging in recent months driven by both global and domestic factors including the El Niño event which is likely to impact the growth outlook. Other downside risks remain, and these include labour shortages, adverse weather conditions and capacity constraints domestically, as well as heightened geopolitical tensions, elevated commodity prices and weaker growth in key trading partner economies. These developments could affect domestic production, tourism earnings, inflation outcomes and foreign exchange inflows.

The Reserve Bank Board maintained the Overnight Policy Rate at 0.25 percent at its September meeting. The policy choice balanced managing heightened inflationary pressure driven largely by external factors while supporting economic growth amid weakening conditions.

The Bank will continue to closely monitor domestic and global developments and adjust its policy settings where necessary.

RESERVE BANK OF FIJI

KEY INDICATORS

1. Sectoral Performance Indicators *

(cumulative year-on-year % change)

Visitor Arrivals
Electricity Production
Gold doré production
Gold production ^{1/}
Cane Production ^{2/}
Sugar Production ^{2/}
Pinewood Production
Woodchip Production
Sawn Timber Production
Mahogany Production
Cement Production

0.4
0.6
-29.2
11.7
-6.0
-13.6
100.1
10.6
10.7
102.7
-6.3

3.1
6.3
-34.1
4.7
n/a
n/a
-4.5
-8.5
-61.7
-24.9
55.5

3.8
5.3
-30.2
3.1
n/a
n/a
-5.1
-15.1
-54.7
-27.4
37.9

4.3
4.8
-21.8
6.2
-4.2
2.9
3.4
-11.2
-47.2
-25.9
34.8

3.7
4.5
-19.7
7.4
0.2
10.8
5.9
-5.8
-40.7
-25.9
25.7

2. Consumption Indicators *

(cumulative year-on-year % change)

Net VAT Collections
New Consumption Lending
Vehicle Registrations
New Vehicle Registrations
Secondhand Vehicle Registrations
Inward Personal Remittances ^{3/}
Outward Personal Remittances
Electricity Consumption

3.1
25.4
23.9
29.3
19.9
6.2
5.3
1.7

-1.5
-4.7
8.9
8.9
9.0
25.0
16.3
5.6

1.1
0.5
10.4
11.9
9.2
26.3
15.0
4.9

-0.2
1.2
9.9
12.9
7.5
31.6
18.4
n.a

-0.8
9.6
n.a
n.a
n.a
32.7
13.0
n.a

3. Investment Indicators *

(cumulative year-on-year % change)

Domestic Cement Sales
New Investment Lending
Building & Construction ^{4/}
Completion Certificates Issued
Number
Value
Building Permits Issued
Number
Value
Value of work put in place

-6.3
7.5
n/a
n/a
n/a
n/a
n/a
n/a
n/a

41.6
37.0
n/a
n/a
n/a
n/a
n/a
n/a
n/a

41.3
40.0
18.3
-56.6
10.6
65.9
n.a
n.a
n.a

38.2
38.3
n/a
n/a
n/a
n/a
n/a
n/a
n/a

29.5
32.4
n/a
n/a
n/a
n/a
n/a
n/a
n/a

4. Labour Market

(cumulative year-on-year % change)

RBF Job Advertisement Survey
Resident Departure by purpose > 1yr above ^{5/}

-9.4
-20.9

-22.4
8.1

-26.9
6.5

-30.5
5.9

-28.5
2.5

5. Consumer Prices **

(year-on-year % change) ^{6/}

All Items
Food and Non-Alcoholic Beverage
Alcoholic Beverages, Tobacco & Narcotics
Transport

-3.5
-7.6
3.1
-7.9

3.9
3.0
12.5
7.5

6.1
1.5
14.6
19.3

5.7
4.1
14.3
11.7

7.6
9.5
13.3
11.7

6. Reserves ***

(end of period)

Foreign Reserves (\$m) ^{7/}
Months of retained imports of goods and non-factor services (MORI) ^{8/}

3,890.5
5.9

3,447.6
4.8

3,465.7
4.8

3,854.0
5.4

3,947.8
5.5

7. Exchange Rates ***

(End of period, F\$1 equals)

US dollar
Australian dollar
New Zealand dollar
Euro
Japanese Yen

0.4385
0.6715
0.7452
0.3754
64.45

0.4504
0.6305
0.7630
0.3873
71.86

0.4410
0.6401
0.7801
0.3859
71.42

0.4475
0.6366
0.7613
0.3882
71.38

0.4507
0.6297
0.7608
0.3891
72.15

8. Liquidity ***

(end of period) ^{9/}

Banks' Demand Deposits (\$m)

2,168.3

1,611.5

1,690.5

2,035.2

2,042.6

9. Money and Credit ***

(year-on-year % change)

Broad Money
Net Foreign Assets
Net Domestic Credit
Private Sector Credit
Narrow Money

10.0
2.1
11.2
10.2
12.8

11.5
-3.0
15.4
14.0
12.0

9.2
-9.5
14.8
14.6
9.4

7.8
-1.4
11.9
14.6
6.4

8.2
1.7
11.5
13.8
6.6

10. Interest Rates (%) ***

(monthly weighted average)

Overnight Policy Rate ^{10/}
Repurchase Rate ^{10/}
Overnight inter-bank Rate
Lending Rate
Savings Deposit Rate
Time Deposit Rate
3 month Government T-Bills
12 month Government T-Bills
5-year Government Bond Yield
10-year Government Bond Yield

0.25
0.50
n.i
4.53
0.30
1.69
n.i
1.12
n.i
n.i

0.25
0.50
n.i
4.48
0.30
1.79
n.i
1.15
n.i
n.i

0.25
0.50
n.i
4.46
0.31
1.89
n.i
n.i
n.i
n.i

0.25
0.50
n.i
4.50
0.31
1.99
n.i
n.i
n.i
n.i

0.25
0.50
n.i
4.51
0.31
2.01
n.i
1.20
n.i
n.i

11. External Sector ****

Merchandise exports
Merchandise imports
Trade deficit

3.2
6.8
8.9

12.3
17.7
20.6

10.8
23.8
31.2

n.a
n.a
n.a

n.a
n.a
n.a

11. Commodity Prices ****

(end of period)

UK Gold Price/fine ounce (US\$)
CSCE No. 11 Sugar Spot Price/Global (US cents/pound)
Crude Oil/barrel (US\$)
FAO Food price index [^]

3,516.1
16.4
68.1
130.0

4,593.0
14.1
92.1
131.0

4,038.5
14.8
72.9
130.1

4,107.0
14.7
90.1
130.8

4,481.5
17.8
90.5
133.3

Note:

^{1/} Gold production includes both gold doré and gold concentrate.^{2/} The 2026 crushing season commenced on the 01 July, 2026. [Cane -0.3%; Sugar 12.5% as at Week Ending 21st September, 2026]^{3/} 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.^{4/} These indicators are provided on a quarterly basis.^{5/} Resident departure by purpose includes Employment, Education/ Training, Emigration & Others.^{6/} 2019 rebase.^{7/} 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\$4,086.4m as at 30th September, 2026]^{8/} MORI is based on the Macroeconomic Committee forecast as at June, 2026. [5.7 months as at 30th September, 2026]^{9/} Liquidity as at 29th September, 2026: F\$2,279.6m^{10/} 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)