RBF ECONOMIC REVIEW OCTOBER 2026

at a glance

International Economy

GLOBAL ECONOMY

- Global growth is projected to ease, amid geopolitically driven disruptions.
- Supply-chain constraints and adverse weather events continue to exert upward pressure on food and commodity prices.
- Strong AI-related investment and the broader technology upturn have helped cushion downward pressure on global growth.

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

Brent Crude Oil*	US$103.53 /barrel	▲ 14.4%
Gold	US$4,186.70 /fine ounce	▼ -6.6%
Sugar	US18.61 cents / pound	▲ 4.5%
FAO Food Index	136.0 pts	▲ 1.5%

*Price surged to US$114.88 as of 29th October

Sources: Bloomberg & FAO

Fijian Economy (Jan-Sep)

SECTORAL

Visitor Arrivals	Electricity Generation	Gold Concentrates	Mineral Water
▲ 3.7%	▲ 4.6%	▲ 52.8%	▲ 11.8%
Electricity Consumption ▲ 2.2%	Gold Doré ▼ -20.7%		
Cane* ▲ 6.2%	Mahogany ▼ -26.0%		
Sugar* ▲ 22.1%	Sawn Timber ▼ -32.0%		
	Pinewood ▲ 9.2%		
	Woodchip ▲ 1.6%		

*As of 19th October 2026

Sources: FBoS & Various Industries

LABOUR MARKET

Job Advertisements	▼ -26.2%
Formal Employment (Aug)	▲ 1.3%
Outward Labour Mobility (Jan-Aug)	▲ 22.9%
Resident Departures (above 1yr)	▼ -0.3%
• Emigration	▼ -16.7%
• Education & training	▼ -11.8%

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

CONSUMPTION

New Consumption Lending	▲ 11.2%
Vehicle Registrations (Jan-Aug)	▲ 7.1%
Net VAT collections	▲ 2.5%

INVESTMENT

New Investment Lending	▲ 33.9%
Construction-related imports (Jan- Jul)	▲ 39.6%
Value of work put in place (Jan-Jun)	▲ 9.9%
Building Materials Price Index	▼ -0.9%

Sources: RBF & Various Industries

FINANCIAL CONDITIONS

Liquidity (29/10)
$2.1 billion

Private Sector Credit (September)
▲ 14.5%

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

Source: RBF

EXTERNAL SECTOR *(Jan-Jul)

Trade Balance
▼ -27.1%

Imports
▲ 22.4%

Exports
▲ 13.6%

* Excludes aircraft

Sources: FBoS & RBF

OUTLOOK

Positive Drivers

- Tourism
- Sugar
- Construction
- Investment
- Private Sector Credit

Downside Risks

- Elevated Inflation
- Geopolitical Tensions
- Domestic Political Uncertainty
- Severe El Niño

Source: RBF

Monetary Policy Objectives

ANNUAL HEADLINE INFLATION

Source: FBoS

FOREIGN RESERVES

$4.0 billion (30/10)
5.6 MORI

Source: RBF

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 October 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 IMF[1] October 2026 World Economic Outlook projects global growth to moderate from 3.5 percent in 2025 to 3.1 percent in 2026, before recovering to 3.4 percent in 2027. Similarly, the World Bank October Regional Outlook expects Pacific regional growth to ease to 2.1 percent in 2026 (from 2.8% forecast in April 2026) amid ongoing geopolitical tensions and related disruptions. Nevertheless, strong AI-related investment and the broader technology upturn have helped cushion downward pressure on global growth.

On other global developments, vulnerabilities in financial markets, particularly from elevated valuations of Artificial Intelligence (AI) related assets, continue to present downside risks to several major economies including key trading partners such as Australia, the US and Japan. A further correction in AI-related equity prices, following the temporary decline recorded in September could weaken investor confidence and household wealth, potentially affecting Australian outbound travel and, in turn Fiji's tourism sector.[2] Climate related shocks including El Niño induced droughts also remain a key risk to global food supplies and inflation, with broader implications for economic activity and growth.

Commodity prices generally increased in September, except for gold. Brent crude oil prices rose by 14.4 percent over the month to US$103.53 per barrel, primarily driven by escalating military conflict between Yemen's Houthi rebels and Saudi Arabia, and continued disruption on the Strait of Hormuz. Prices rose further in October, reaching US$114.88 per barrel (29/10) and are expected to remain elevated as disruptions to oil exports from the Gulf region persist. FAO[3] Food Price Index rose by 1.5 percent in September to 136.0 points, driven mainly by higher sugar, cereal and vegetable oil prices amid supply concerns and adverse weather conditions. Sugar prices reached US18.61 cents per pound at September-end, reflecting concerns over El Niño related production risks and harvesting disruptions. In contrast, gold prices declined by 6.6 percent over the month but remain higher over the year (8.1%) to close at US$4,186.70 per ounce at September-end. The monthly outturn was driven by expectations surrounding prolonged higher US interest rates and a stronger US dollar.

Domestic economic activity remained resilient, largely supported by better-than-expected tourism activity. Visitor arrivals reached 95,970 in September alone, representing an annual increase of 3.9 percent. This lifted cumulative visitor arrivals growth to 3.7 percent in the nine months of the year. The increase was driven by higher inflows from Australia, the US and Europe, with holidaymakers accounting for the majority of arrivals (80.0%). In the year to June, provisional hotel statistics indicated stronger accommodation activity, as occupancy rates increased to 52.6 percent accompanied with hotel's noting a higher turnover (10.5%). While forward bookings suggest some easing in occupancy levels between September and December, short-term travel demand remains

[1] International Monetary Fund.
[2] Through superannuation funds, Australians are investing in AI technology.
[3] Food and Agriculture Organisation.

resilient and is expected to be supported by expanded air connectivity and increased flight capacity. Recent developments include the launch of services to the Gold Coast and increased flight frequencies to Hong Kong and Vancouver.

Sectoral performances were generally positive during the review period. Compared with the corresponding period last year, cane crushed (6.2%) and sugar produced (22.1%) increased as of 19 October, supported by better sugar recovery and improved milling performance across all mills. Electricity production rose by 4.6 percent in the year to September, supported by higher electricity consumption (2.2%) and an increase in Energy Fiji Limited's customer base (2.0%), despite lower renewable energy output, resulting from drier weather conditions. Cumulative to September, total gold production expanded by 6.6 percent, as strong growth in gold concentrate output (52.8%) more-than-compensated for the decline in gold doré production (-20.7%). Similarly, mineral water output grew by 11.8 percent over the same period, consistent with scheduled production plans. In contrast, performance in the forestry sector was mixed. While mahogany (-26.0%) and sawn timber (-32.0%) production fell, largely reflecting machinery and processing disruptions, pinewood harvesting increased (9.2%) due to higher supply of sawlogs. Woodchip production also increased (1.6%), supported by external demand.

Labour market indicators remained mixed during the review period. Newspaper job advertisements fell by 26.2 percent in the year to September, with declines largely noted in the community, social & personal services; wholesale, retail and trade and transport & storage sectors. Despite softer hiring intentions, formal employment expanded by 1.3 percent in August with total wages paid also rising by 6.6 percent annually.[4] On the supply side, outward labour mobility increased by 22.9 percent to 1,971 workers in the year to August, mainly through the Pacific Australia Labour Mobility scheme. In contrast, long-term[5] resident departures declined marginally (-0.3%) cumulative to September, with less outward movement for emigration (-16.7%) and education and training (-11.8%) purposes.

Consumption activity remained favourable in the review period, as indicated by strong lending, net VAT collections, increased vehicle registrations and growth in wholesale and retail trade. In the year to September, consumption-related loans grew by 11.2 percent, driven by higher lending to the wholesale, retail, hotel and restaurant sector (10.7%) and private individuals (13.8%). In the same period, net VAT collections rose by 2.5 percent on account of lower VAT refunds. Vehicle registrations grew by 7.1 percent cumulative to August, reflecting growth in both new (11.3%) and second-hand (3.7%) registrations, although higher import duties on new and second-hand vehicles announced in the FY2026-27 Budget could weigh on vehicle demand going forward. Wholesale and trade activity noted strong growth in the first half of 2026, largely reflecting higher prices, with nominal sales rising by 10.1 percent, supported by increased fuel, vehicle parts and food sales income.

Partial indicators suggest that investment and construction activity maintained momentum during the review period. New investment lending increased significantly by 33.9 percent in the year to September, led by stronger lending to the building & construction (73.8%) and real estate (27.6%) sectors. Cumulative to July, construction-related imports[6] increased by 39.6 percent to $1,959.8 million, reflecting sustained demand for building and construction materials, while the value of work put in place increased up to the second quarter of 2026, by 9.9 percent. Additionally, construction cost pressures eased slightly, as average building material prices fell

[4] Formal employment and wages paid are based on August provisional data.

[5] Refers to length of absence exceeding 1 year (12 months) period.

[6] This also includes fuel imports (mainly diesel and heavy oils).

by 0.9 percent up to September, partly driven by the VAT reductions implemented a year ago.

Favourable financial sector conditions supported economic activity, as indicated by the annual expansion in broad money (8.9%) in September. This was driven by higher private sector credit growth (14.5%), largely to private businesses and households. Banking system liquidity remained ample at approximately $2.1 billion as of 29 October, which aided in keeping borrowing costs low with commercial banks' weighted average outstanding lending rate settling at 4.49 percent in September.

On the external front, the merchandise trade deficit widened by 27.1 percent in the year to July, substantially higher than the 6.2 percent expansion recorded in the same period last year. The year-to-date outturn was driven by strong growth in imports (22.4%), which outpaced the rise in exports (13.6%). Growth was noted across import categories (except for beverages and tobacco) with mineral fuels and road vehicles contributing the most. On the other hand, the annual growth in exports was driven by higher export receipts from gold related products coupled with the increase in re-exports of mineral fuels.

Annual headline inflation stood at 6.8 percent in September, lower than the 7.6 percent in August, but remains well above the -3.8 percent recorded a year earlier. The annual increase was primarily driven by higher prices for food & non-alcoholic beverages,[7] transport,[8] alcoholic beverages, tobacco & narcotics,[9] and utilities.[10] Inflation is expected to remain elevated and above 6.0 percent by year-end, reflecting persistently high global fuel prices and the impact of El Niño-related weather conditions, which may place upward pressure on domestic prices particularly for market items such as fruits and vegetables.

Foreign reserves stood at around $4.0 billion as of 30 October, sufficient to cover 5.6 months of retained imports and are expected to remain adequate till the end of 2026 underpinned by Government external financing and strong tourism receipts.

Risks to the outlook remain significantly elevated. Ongoing geopolitical tensions, and higher global commodity prices continue to exert upward pressure on the cost of living and downward pressure on reserve levels through higher import costs. Domestically, labour supply constraints, social and security concerns and political uncertainty could dampen investor and business confidence. Furthermore, the risk of severe El Niño induced dry conditions and its impact on key sectors weigh on broader economic growth prospects.

Against the backdrop of a slower growth outlook and elevated price pressures, driven largely by higher imported prices a continued accommodative monetary policy stance remains appropriate to support domestic economic activity, balancing with macroeconomic and financial stability amid heightened global uncertainty.

With these considerations, the Reserve Bank of Fiji (RBF) Board agreed to maintain the Overnight Policy Rate at 0.25 percent. The RBF continues to closely monitor global and domestic developments and stands ready to adjust its policy settings if required, to maintain price stability and safeguard foreign reserves.

RESERVE BANK OF FIJI

[7] Particularly cassava, dalo and potatoes.
[8] Mostly fuel and taxi fare.
[9] Mainly kava.
[10] Largely kerosene, electricity and gas.

FIJI: ECONOMIC & FINANCIAL STATISTICS

KEY INDICATORS

	Sep-25	Jun-26	Jul-26	Aug-26	Sep-26
1. Sectoral Performance Indicators *					
(cumulative year-on-year % change)					
Visitor Arrivals	0.3	3.8	4.3	3.7	3.7
Electricity Production	0.3	5.3	4.8	4.5	4.6
Gold doré production	-28.5	-30.2	-21.8	-19.7	-20.7
Gold production [1/]	13.8	3.1	6.2	7.4	6.6
Cane Production [2/]	-6.0	n/a	-4.2	0.2	6.1
Sugar Production [2/]	-15.2	n/a	2.9	10.8	20.9
Pinewood Production	95.0	-5.1	3.4	5.9	9.2
Woodchip Production	4.5	-15.1	-9.2	-4.1	1.6
Sawn Timber Production	1.4	-54.7	-47.2	-40.7	-32.0
Mahogany Production	90.3	-27.4	-25.9	-25.9	-26.0
Cement Production	-5.0	37.9	34.8	25.7	n.a
2. Consumption Indicators *					
(cumulative year-on-year % change) [3/]					
Net VAT Collections	1.4	1.1	-0.2	-0.8	2.5
New Consumption Lending	26.2	0.5	1.2	9.6	11.2
Vehicle Registrations	23.9	10.4	9.9	7.1	n.a
New Vehicle Registrations	29.5	11.9	12.9	11.3	n.a
Secondhand Vehicle Registrations	19.8	9.2	7.5	3.7	n.a
Electricity Consumption	2.3	4.9	3.8	3.1	2.2
3. Investment Indicators *					
(cumulative year-on-year % change)					
Domestic Cement Sales	-3.7	41.3	38.2	29.5	n.a
New Investment Lending	-2.4	40.0	38.3	32.4	33.9
Building & Construction [4/]					
Completion Certificates Issued					
Number	n/a	18.3	n/a	n/a	n/a
Value	n/a	-56.6	n/a	n/a	n/a
Building Permits Issued					
Number	n/a	10.6	n/a	n/a	n/a
Value	n/a	65.9	n/a	n/a	n/a
Value of work put in place	n/a	9.9	n/a	n/a	n/a
4. Labour Market					
(cumulative year-on-year % change)					
RBF Job Advertisement Survey	-10.0	-26.9	-30.5	-28.5	-26.2
Resident Departure by purpose >1yr above [5/]	-18.6	6.5	5.9	2.5	-0.3
5. Consumer Prices **					
(year-on-year % change) [6/]					
All Items	-3.8	6.1	5.7	7.6	6.8
Food and Non-Alcoholic Beverage	-8.2	1.5	4.1	9.5	7.6
Alcoholic Beverages, Tobacco & Narcotics	3.0	14.6	14.3	13.3	13.9
Transport	-8.1	19.3	11.7	11.7	12.2
6. Reserves ***					
(end of period)					
Foreign Reserves ($m) [7/]	3,844.6	3,465.7	3,854.0	3,947.8	4,095.4
Months of retained imports of goods and non-factor services (MORI) [8/]	5.8	4.8	5.4	5.5	5.7
7. Exchange Rates ***					
(End of period, FS1 equals)					
US dollar	0.4378	0.4410	0.4475	0.4507	0.4429
Australian dollar	0.6658	0.6401	0.6366	0.6297	0.6340
New Zealand dollar	0.7577	0.7801	0.7613	0.7608	0.7854
Euro	0.3734	0.3859	0.3882	0.3891	0.3907
Japanese Yen	65.08	71.42	71.38	72.15	69.71
8. Liquidity ***					
(end of period) [9/]					
Banks' Demand Deposits ($m)	2,211.0	1,690.5	2,035.2	2,042.6	2,223.2
9. Money and Credit ***					
(year-on-year % change)					
Broad Money	10.7	9.2	7.7	8.2	8.9
Net Foreign Assets	2.7	-9.5	-1.4	1.7	1.4
Net Domestic Credit	11.8	14.9	12.0	11.6	11.6
Private Sector Credit	9.6	14.6	14.7	13.9	14.5
Narrow Money	12.6	9.4	6.3	6.5	6.3
10. Interest Rates (%) ***					
(monthly weighted average)					
Overnight Policy Rate [10/]	0.25	0.25	0.25	0.25	0.25
Repurchase Rate [10/]	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	4.50	4.46	4.50	4.51	4.49
Savings Deposit Rate	0.31	0.31	0.31	0.31	0.32
Time Deposit Rate	1.64	1.89	1.99	2.01	2.11
3 month Government T-Bills	0.20	n.i	n.i	n.i	0.30
12 month Government T-Bills	n.i	n.i	n.i	1.20	1.25
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	0.1	10.8	13.6	n.a	n.a
Merchandise imports	7.0	23.8	22.4	n.a	n.a
Trade deficit	11.1	31.2	27.1	n.a	n.a
11. Commodity Prices ****					
(end of period)					
Gold Price/fine ounce (US$)	3,873.2	4,038.5	4,107.0	4,481.5	4,186.7
CSCE No. 11 Sugar Spot Price/Global (US cents/pound)	16.6	14.8	14.7	17.8	18.6
Crude Oil/barrel (US$)	67.0	72.9	90.1	90.5	103.5
FAO Food price index ^	128.6	130.1	131.7	134.0	136.0

Note:

[1/] Gold production includes both gold doré and gold concentrate.

[2/] The 2026 crushing season commenced on 01 July, 2026. [Cane 6.2%; Sugar 22.1% as at Week Ending 19 October, 2026]

[5/] Remittances figures are under review

[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$3,988.7m as at 29th October, 2026]

[8/] MORI is based on the Macroeconomic Committee forecast as at June, 2026. [5.6 months as at 29th October, 2026]

[9/] Liquidity as at 29th October, 2026: F$2,125.3m

[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)