

IMF Staff Completes 2017 Article IV Visit to Fiji

December 11, 2017

End-of-Mission press releases include statements of IMF staff teams that convey preliminary findings after a visit to a country. The views expressed in this statement are those of the IMF staff and do not necessarily represent the views of the IMF's Executive Board. Based on the preliminary findings of this mission, staff will prepare a report that, subject to management approval, will be presented to the IMF's Executive Board for discussion and decision.

- The economy is recovering well and is expected to grow at about 4 percent in 2017, its eighth consecutive year of expansion.
- Risks to the economic outlook are largely related to external developments.
- Sustaining strong growth will depend on maintaining financial stability, rebuilding fiscal policy buffers, and boosting private sector development.

An International Monetary Fund (IMF) team led by Mr. Pablo Lopez Murphy visited Fiji from November 29 to December 12, 2017, to conduct the discussions for the 2017 Article IV consultation. At its conclusion, Mr. Lopez Murphy issued the following statement:

“The economy is recovering well after Tropical Cyclone Winston and is expected to record its eighth consecutive year of expansion in 2017. Growth is expected to pick up to about 4 percent in 2017, underpinned by reconstruction activities, a vibrant tourism sector, and the recovery of agriculture production. The growth momentum is projected to continue in the coming years. Inflation declined sharply in recent months as the supply of food items started to normalize and is projected to remain around 3 percent.

“Risks to the economic outlook are largely related to external developments. The economy is vulnerable to natural disasters that weigh on growth. A tightening of global financial conditions could affect capital inflows. In addition, a possible growth slowdown in China could affect Fiji through its trading partners, especially Australia and New Zealand. On the domestic side, a stalling of structural reform momentum could discourage private sector development and investment.

“Sustaining strong growth will depend on maintaining financial stability, rebuilding fiscal policy buffers, and boosting private sector development. Improving the business environment will propel private investment and growth as fiscal and monetary policy support is gradually withdrawn.”

The team had fruitful discussions with the Attorney General and Minister of Economy, the Governor of the Reserve Bank of Fiji (RBF), other senior public officials, several government agencies, development partners, private sector representatives, and other stakeholders. Staff from the Asian Development Bank also joined some of the discussions. The team would like to thank the Fijian authorities for their hospitality and excellent cooperation.

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