

RESERVE BANK OF FIJI



PRESS RELEASE

Press Release No. : 24/2009

Phone: (679) 3313 611

Fax : (679) 3301 688

Date : 12 June 2009

E-mail: rbf@reservebank.gov.fj

COMMERCIAL BANK INTEREST RATE REDUCTIONS ARE ENCOURAGING SAYS RESERVE BANK OF FIJI

The Reserve Bank welcomed the announcement this week by Westpac to reduce its lending rates. This is in response to the policy of the RBF that the lending rates are to be rolled back to the weighted average level at the end of last year.

The Governor of the Reserve Bank, Mr. Sada Reddy, clarified that not all the banks had increased rates since end of last year and he wishes to acknowledge the positive contributions these banks had made in keeping their rates unchanged.

However, Mr. Reddy said he is pleased with the recent announcements of interest rate reductions which will go a long way in encouraging investments and assist in the economic recovery.

Mr. Reddy went on to say that foreign reserves continue to increase and is currently around \$650m and the banking system liquidity also remained buoyant and has been averaging around \$130m in recent weeks.

Reserve Bank of Fiji