



# MACROECONOMIC POLICY COMMITTEE



## *PRESS RELEASE*

---

Press Release No. : 18/2010

Phone : (679) 3313 611

Date : 24 May 2010

Fax : (679) 3302 094

E-mail : [rbf@reservebank.gov.fj](mailto:rbf@reservebank.gov.fj)

---

### STATEMENT BY THE CHAIRMAN OF THE MACROECONOMIC POLICY COMMITTEE<sup>1</sup> AND GOVERNOR OF THE RESERVE BANK OF FIJI

#### REVISED ECONOMIC PROJECTIONS

The Chairman of the Macroeconomic Policy Committee and Governor of the Reserve Bank of Fiji, Mr Sada Reddy, today announced that “the domestic economy is now forecast to expand by 1.8 percent in 2010 compared with the 1.9 percent growth announced in November last year. This marginal downward revision to the GDP growth is largely due to Cyclone Tomas earlier this year which greatly affected agriculture in the Northern Division and Eastern Maritime areas”.

The Governor added that the contraction in the economy projected for 2009 has also been revised to a 2.2 percent decline from the forecast 2.5 percent decline announced in the 2010 National Budget. The improvement is due mainly to better than expected performances in the transport & communication, wholesale & retail trade, public administration & defence, health & social work, education, manufacturing, real estate, other community, social personal services, mining & quarrying, electricity & water and financial intermediation sectors.

Mr Reddy added that, “the real GDP growth projections for 2011 and 2012 have been revised downwards to 1.7 percent (from 2.4 percent) in 2011 and 1.9 percent (from 2.5 percent) in 2012. The

---

<sup>1</sup> The Macroeconomic Committee is made up of representatives from the Ministry of Finance (MOF), Ministry of National Planning Office (NPO), Fiji Islands Bureau of Statistics (FIBOS), Ministry of Commerce & Industry (MCI), Ministry of Foreign Affairs & External Trade (MOFET), Prime Minister’s Office (PMO), Fiji Island Trade and Investment Bureau (FTIB), Fiji Islands Revenue & Customs Authority (FIRCA) and Reserve Bank of Fiji (RBF).

downward revisions for both years mainly arise from forecast weaker performances in the manufacturing, transport & communication, construction, wholesale & retail trade, real estate and other community, social & personal services sectors”.

On trade, Mr Reddy explained that, “exports and imports are anticipated to rebound in 2010 by 9.5 and 12.5 percent, respectively. The growth in exports is projected to be underpinned by a growth in re-exports of mineral fuels, gold, mineral water, garments and other domestic exports. However, imports are also expected to increase due to a pick up in domestic demand as growth prospects are expected to improve this year”.

Mr Reddy concluded by saying that, “official foreign reserves as at 14 May 2010 were \$1,076 million, equivalent to around 3.4 months of imports of goods and non-factor services”.

**Sada Reddy**

**Chairman of Macroeconomic Policy Committee**