

RESERVE BANK OF FIJI



PRESS RELEASE

Press Release No. : 41/2012

Phone : (679) 331 3611

Date : 21 December 2012

Fax : (679) 330 2094

E-mail : info@rbf.gov.fj

RESERVE BANK OF FIJI INCREASES IMPORT SUBSTITUTION AND EXPORT FINANCE FACILITY FUNDING ALLOCATION

The Reserve Bank of Fiji Board at its meeting on 13 December 2012 approved an additional \$40 million allocation for the Import Substitution and Export Finance Facility (ISEFF) therefore increasing the Facility's capacity to \$80 million. The ISEFF was setup in 2010 to boost exports as well as encourage more import substitution industries.

According to the Reserve Bank of Fiji Deputy Governor, Mr Inia Naiyaga, "Doubling the funding allocation will allow more businesses to benefit from the Facility which offers a concessional rate of interest. In addition, the larger funding capacity will complement measures announced in the 2013 National Budget to promote national growth." Deputy Governor Naiyaga further added that "The uptake on ISEFF has been very positive with the initial \$40 million allocated almost completely utilised."

The ISEFF was established by the Reserve Bank in July 2010 and allows lending institutions such as the Fiji Development Bank, commercial banks and licensed credit institutions to obtain funds from the Reserve Bank at an interest rate of 2 percent per annum, and on-lend the same to eligible businesses for up to a maximum of 6 percent per annum. ISEFF loans are offered for a maximum duration of five years. To date, 35 companies in the manufacturing, agriculture, forestry, garment and renewable energy sectors have benefitted from the Facility.

The increase in ISEFF funding is effective immediately.

Further information about the Facility may be obtained from the Domestic Markets Unit at the Reserve Bank of Fiji.

RESERVE BANK OF FIJI