

RESERVE BANK OF FIJI



PRESS RELEASE

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RESERVE BANK OF FIJI RELEASES 2015 ANNUAL REPORT

The Honourable Attorney-General and Minister for Finance, Mr Aiyaz Sayed-Khaiyum, tabled the 2015 Annual Report of the Reserve Bank of Fiji (RBF) in Parliament on 27 April 2016. The Report included the audited accounts and the operations of the Reserve Bank for the year ended 31 December 2015.

The Governor of the Reserve Bank, Mr Barry Whiteside highlighted that despite weak global economic activity, the Fijian economy recorded its sixth consecutive year of expansion in 2015, with the economy growing by 4.0 percent while also noting its third successive year of growth above 4.0 percent. The higher growth was driven by strong consumption and investment including higher Government spending, coupled with better-than-expected performance in the tourism sector and positive contributions from the industrial and primary sectors. Favourable financial conditions evident in adequate bank liquidity levels and low interest rates supported private investment and credit growth in the economy.

According to the Annual Report, the RBF achieved its core objectives of maintaining an adequate level of foreign reserves and low inflation. Inflation remained low throughout the year backed by low commodity prices while foreign reserves were comfortable amidst strong inflows of tourism receipts, remittances and foreign direct investment. Fiji's financial sector performance was robust in 2015 as indicated by adequate earnings, higher capital, improved asset quality and liquidity positions of banks. In efforts to deepen the financial system further through financial sector reforms, the Reserve Bank completed the Financial Sector Development Plan 2016-2025 and undertook various initiatives including the expansion of mobile financial services, microfinance development, development of the draft Secured Transactions Bill and continuation of financial literacy awareness programs.

Marking the RBF's commitment to enhancing financial inclusion, the RBF Annual Report prominently features Fiji's successful lobby to host the eighth Alliance for Financial Inclusion Global Policy Forum in Nadi in September 2016. This inaugural event for the Pacific region is expected to provide the host country Fiji, with an opportunity to bring stakeholders together from across the globe to discuss key issues and map the way forward for financial inclusion.

In terms of the Reserve Bank's financial performance, volatile international financial markets and historically low global interest rates affected the Bank's earnings in 2015, reducing its profit to \$27.9 million from \$28.5 million in 2014. Nevertheless, a total of \$32.2 million was transferred to the Government on 1 March 2016, which included the Bank's profit as well as an additional \$4.3 million which represents one-fifth of the revaluation reserves account.

In conclusion, the Governor and the Board of Directors applauded the support by the RBF staff, development partners and stakeholders in helping the Bank achieve another successful year in 2015 and emphasised that despite the challenging global and domestic economic conditions, the RBF will continue its efforts to meet its core objectives in the future.

The Annual Report can be downloaded from the RBF's website at www.rbf.gov.fj

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