

RESERVE BANK OF FIJI



PRESS RELEASE

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RESERVE BANK OF FIJI RELEASES AUGUST 2016-JULY 2017 ANNUAL REPORT

The Honourable Minister for Economy, Mr Aiyaz Sayed-Khaiyum, tabled the 2016-2017 Annual Report of the Reserve Bank of Fiji (RBF) in Parliament on 5 March, 2018. The report included the audited accounts and the operations of the Reserve Bank for the year ended 31 July 2017.

The Governor of the Reserve Bank, Mr Ariff Ali highlighted that Fiji's economic recovery continued during the year on the back of post-cyclone related reconstruction works, supported by strong macroeconomic fundamentals, expansionary fiscal and monetary policies and favourable financial conditions. Growth for 2017 is estimated at 4.2 percent, the eighth consecutive year of growth. This outturn was driven by higher services output arising from strong tourism activity as well as a pick-up in performance of some primary (sugar and fish) and industrial sectors.

Mr Ali highlighted that the RBF's monetary policy objectives of maintaining an adequate level of foreign reserves and price stability were met during the year. Inflation peaked at 6.8 percent in January 2017 largely due to higher prices of fruits & vegetables, root crops and yaqona following the negative impact of the 2016 natural disasters on production. However, inflation has since fallen to below 2.0 percent as global commodity prices remained subdued and the supply for most agricultural market items normalised. Foreign reserves remained comfortable, boosted by inflows of tourism receipts and remittances. Given the favourable outlook on its twin objectives, the Reserve Bank maintained an accommodative monetary policy stance throughout the 2016-2017 financial year.

On financial performance, the Bank recorded \$28.3 million in profits for the financial year ended 31 July 2017 compared to \$15.7 million in the previous financial year. Subsequently, the Bank transferred \$29.4 million to the Government in late September 2017, which included \$27.3 million in net profits following the transfer of \$1.0 million to the General Reserve Account and \$2.1 million from the Revaluation Reserve Account.

One of the key highlights of the Bank's operations was co-hosting the eighth Alliance for Financial Inclusion Global Policy Forum in September 2016. The event, which attracted over 500 delegates from 78 countries, has strengthened collaboration among policy makers, regulators and development partners. On climate change initiatives, the Bank joined the Sustainable Banking Network and organised Fiji's first ever workshop on Sustainable Finance Initiatives in September. The RBF also collaborated with the Government, World Bank and the International Finance Corporation to introduce a Green Bond framework for Fiji. To commemorate the nation's first ever Olympic Gold medal victory by the Fiji Rugby 7s team at the 2016 Rio Olympics, the Bank issued a special edition circulation currency comprising a \$7 banknote and 50-cent coin in April 2017.

In conclusion, Governor Ali highlighted that the Bank remains committed to the implementation of its Strategic Plan 2014-18. The Governor together with the Board of Directors commended the RBF staff and relevant partners for their support and partnership during the 2016-2017 financial year.

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

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