



RESERVE BANK OF FIJI

PRESS RELEASE



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MONETARY POLICY STANCE REMAINS UNCHANGED

The Reserve Bank of Fiji Board in its monthly meeting on 28 March 2014 agreed to maintain the Overnight Policy Rate (OPR) at 0.5 percent.

In announcing the board decision, the Governor and Chairman of the Reserve Bank Board, Mr Barry Whiteside stated that “the accommodative monetary policy stance adopted by the Reserve Bank since 2010 has supported economic growth resulting in four years of consecutive growth”.

He added that the “Reserve Bank closely monitors developments in the economy such as indicators on credit, consumption, investment, Government expenditure, labour market and external trade and its impact on the Bank’s core objectives which are foreign reserves and inflation. In this regard, the current monetary policy stance is appropriate as the outlook for foreign reserves and inflation is comfortable”.

In stating the above, the Chairman further remarked that “the Reserve Bank will re-align monetary policy if in its assessment there are challenges to its twin objectives”.

Inflation in February was 0.2 percent, the lowest since April 2009 and was largely due to the free primary and secondary education announced in the 2014 National Budget. Foreign reserves as at 28 March are provisionally estimated at \$1,705 million (sufficient to cover 4.5 months of goods and non-factor services).

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