

# RESERVE BANK OF FIJI



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**ADDRESS AT THE OPENING OF HFC NAKASI BRANCH  
BY THE DEPUTY GOVERNOR OF THE RESERVE BANK OF FIJI  
MR. INIA NAIYAGA ON  
TUESDAY, 11 DECEMBER 2012**

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The Deputy Chairman of the HFC Board, Mr. Vilash Chand

Board of Directors

Chief Executive Officer, Mr. Isikeli Tikoduadua

Management and Staff of HFC

Distinguished Guests

Ladies and Gentlemen

## **Introductory Comments**

Good morning and bula vinaka to you all.

I am honored to be invited here this morning to join with you all in celebrating the opening of HFC's newest branch here in Nakasi.

As noted by the Chairman, this occasion marks another step in HFC's development and progress as a licensed financial institution striving to meet the current and expected future needs of its customers, the people of Fiji.

Just a few months ago, the Governor of the Reserve Bank officiated at the opening of HFC's refurbished branch in Lautoka. Today HFC has come to the

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door step of the people of Nakasi and easily accessible to the people of Nasinu and Nausori.

Ladies and gentlemen, we are well into the ‘festive season’, Christmas and New Year is just around the corner. It is a time to give, a time for gratitude, and reflection.

## **HFC Nakasi Branch**

The season lends some parallels to the occasion this morning. Taking stock, reflecting and looking forward has brought HFC to the doorstep of the people of this locality. While the opening of a new branch is a means of ‘giving’ to the community especially in today’s banking environment where electronic networks and communications systems dominate, and prove more efficient and cost effective. The Reserve Bank of Fiji welcomes increased service points. We promote the utilization of these service points as a platform, with the appropriate products, to continue to reach out to the general population including the unbanked. This is what financial inclusion is all about.

Certainly, the location is ideal. For those of us who grew up in and around this locality, we have witnessed firsthand the remarkable growth along the Suva/Nausori Corridor over the past decade or so. At the heart of this growth has been the town of Nasinu and its surrounding areas like here in Nakasi. There is no better place than the fastest growing area in the country to set up shop and do business.

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## **HFC & banking system developments**

Let me say a few words about HFC and latest developments in our local banking system. HFC has a rich history going back to 1962. It has grown vastly over the years and has contributed to the development of Fiji's financial system and economy.

In the local banking system, HFC not only competes with fellow credit institutions Credit Corporation and Merchant Finance, but also with the commercial banks, especially on its housing loan portfolio and Import Substitution and Export Finance Facility. It is recognised that HFC plays to its strength of being a relatively small and nimble institution that can react quickly to needs of its existing customers and the market in general. We see this in the customer service, turnaround times and bold product commitments. Amongst its suite of products HFC has an *SME Loan*, *Micro Finance Loan* and *Cane Farm Loan* facilities. All geared towards priority areas identified by the Government and the Reserve Bank.

Turning to the industry, the landscape of the local banking industry in which HFC operates has undergone changes since the addition of Fiji's newest bank. Competitive forces have increased with an additional player. Already we have seen that lending rates have come down and other requirements like a percentage of loan as a deposit and other terms being relaxed. All positive news for consumers! This is the intention of deregulating entry to the market. Everyone in the industry including HFC will have to work harder. From a regulatory and financial stability perspective such developments brings about a

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new set of challenges. Rest assured the Reserve Bank will monitor market developments with interest to ensure stability and prudence is maintained.

## **The Fiji Economy**

Ladies and gentlemen, please allow me to add a brief update of our economic situation.

Our growth has remained broad-based with the Fiji economy now projected to grow this year by 2.5 percent, picking up to 2.7 percent growth next year. Currently, upbeat investment and consumption activity are supported by attractive interest rates and higher household income and this is expected to be upheld next year following the recent incentives announced by the Government through the 2013 National Budget.

Inflation by end of this year is expected to moderate at around 3.5 percent. Our foreign reserves remain comfortable and currently sufficient to cover 5.0 months of retained imports. Going forward the Reserve Bank will continue to monitor the level of foreign reserves closely and align policies accordingly to ensure that it remains at adequate levels. Looking forward, we remain bullish on our economic prospects and support the notion that the fundamentals are being laid and the best is yet to come.

In his Budget Address, the Prime Minister announced Government's broad macro-economic targets which include:

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- Capping inflation at around 3%
- Maintaining adequate level of foreign reserves
- Raising investment levels to 25 per cent of GDP
- Reducing Government debt to 45 percent of GDP and
- Maintaining deficits at manageable levels

## **Concluding Remarks**

To conclude, it is the investment and commitment that HFC has portrayed today that will fuel the increasing positive sentiments in our economy.

I warmly congratulate the HFC Board and Management on the opening of this new branch. I also take this opportunity to wish you all a Christmas filled with Joy and a Successful New Year.

## **Official Opening**

It is with great pleasure that I officially declare the HFC Nakasi Branch open.

Thank you.

**THE END**

**11 December 2012**