

RESERVE BANK OF FIJI

PRESS RELEASE



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RESERVE BANK OF FIJI RELEASES AUGUST 2017-JULY 2018 ANNUAL REPORT

Acting Prime Minister and Minister for Economy, the Honourable Aiyaz Sayed-Khaiyum, has tabled in Parliament on 30 November 2018, the Reserve Bank of Fiji's (RBF) August 2017–July 2018 Annual Report. The Annual Report includes a report on the operations of the Reserve Bank, and its audited accounts for the financial year ending 31 July 2018.

The Governor of the Reserve Bank Mr Ariff Ali highlighted in the Annual Report that Fiji's economy is on track to grow for the ninth consecutive year with growth for 2018 estimated at 3.2 percent. This outturn is largely driven by an expanding global economy, robust domestic demand conditions reflected in upbeat consumption and investment activities along with support from accommodative monetary and fiscal policies. Major sectors underpinning this growth are the wholesale & retail trade, accommodation & food services, public administration & defence and the construction sectors.

The Annual Report stated that the RBF has continued to effectively achieve its key objectives of low inflation and maintaining a sufficient level of foreign reserves. Inflation averaged 3.1 percent in the financial year, peaking at 4.7 percent in July 2018 due to the impact of tropical cyclones (Josie and Keni) and the upswing in global crude oil prices. It further reported that there were increased payments for mineral fuel due to rising global crude oil prices and overall rise in import payments on the back of a buoyant economy. Nevertheless, at the end of July 2018, the level of foreign reserves remained stable at around \$2.2 billion, sufficient to cover 5.0 months of retained imports of goods and non-factor services. Given the positive outlook, the Reserve Bank maintained an accommodative monetary policy stance throughout the 2017-2018 financial year.

On the Bank's financial performance, amidst a challenging year of low investment yields on the global stage, the Bank reported an audited profit of \$31.5 million for the 2017-18 financial year. The RBF transferred a total of \$32.5 million to Government, of which \$30.5 million was from the Bank's profit and \$2.0 million from the Revaluation Reserve Account (RRA). The RBF Board with the approval of the Minister for Economy also transferred \$1.0 million to the General Reserve Accounts to strengthen its capital base.

A milestone achievement of the Bank was the successful listing of Fiji's Green Bond on the London Stock Exchange. Its design, issue and subsequent listing, a first by a developing country, portrayed the RBF's response to the global issue of climate change. An added key accomplishment was the publication of the first Financial Stability Report by the RBF which highlighted the continued wellbeing and stability of Fiji's financial system. The RBF has also continued to be the champion of financial inclusion, a notable contribution of which was the enabling of Fiji's first bundled insurance product.

Governor Ali also stated in the Annual Report that the RBF would be completing the implementation of majority of its strategic outcomes under the Bank's 2014-2018 Strategic Plan and has now embarked on the formulation of a new Strategic Plan for 2019 to 2024. The Governor and the Board of Directors have commended the Bank's staff and stakeholders for their support during the 2017-2018 financial year.

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

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