

RESERVE BANK OF FIJI

PRESS RELEASE



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OVERNIGHT POLICY RATE REMAINS UNCHANGED

The Reserve Bank of Fiji Board maintained the Overnight Policy Rate at 0.5 percent following its monthly meeting on 25 April.

The Governor and Chairman of the Board, Mr Ariff Ali stated that preliminary data reveals that the economy grew faster in 2018 than earlier forecast. However, consumption and investment data for the first few months of 2019 indicate softening in the economy. While the Fijian economy is projected to register ten years of consecutive economic expansion this year, the growth rate is biased downwards, owing to the moderation in recent domestic economic activity and the current slowdown in global economic growth.

The Governor highlighted that risks from higher global fuel price on inflation and balance of payments are being closely monitored. He emphasised that immediate and medium-term threats to the RBF's twin objectives of price stability and adequate foreign reserves are contained. Headline inflation in March dropped to 4.0 percent from 5.1 percent in February. Foreign reserves as at 25 April stood at \$1,932.4 million, sufficient to cover 4.1 months of retained imports. In addition, bank liquidity levels hovered at \$343.7 million as at 25 April, sufficient to support further uptake in credit and economic activity.

Governor Ali concluded by reiterating that the current monetary policy stance is consistent with the current state and the outlook of the Fijian economy, and that the Reserve Bank will continue to closely evaluate international and domestic developments and align monetary policy where appropriate.

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