

# RESERVE BANK OF FIJI

## *PRESS RELEASE*



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### **OVERNIGHT POLICY RATE REMAINS UNCHANGED**

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

The Governor and Chairman of the Board, Mr Ariff Ali stated that the monetary policy decision was based on latest available information, assessment of existing and projected economic conditions and the outlook on the Bank's twin monetary policy objectives of inflation and foreign reserves.

Governor emphasised that whilst the current stance of monetary policy is appropriate, the Bank will continue to carefully assess the build-up of risks that could affect price and external stability. The major risks include commodity price shocks especially oil, natural disasters, trade tensions and a growth slowdown in major trading partners. Commercial bank excess liquidity has averaged around \$300 million in the past month and is sufficient for supporting growth.

Domestic economic growth is likely to moderate this year but remains positive based on partial indicators and business sentiments. Headline inflation in February was unchanged at 5.1 percent from January underpinned by higher prices of *yaqona*, food and fuel. Foreign reserves as at 28 March stood at \$1,923.7 million, sufficient to cover 4.1 months of retained imports and are expected to remain within comfortable levels by year-end and into the medium term.

In concluding, Governor Ali reiterated that the Reserve Bank will continue to closely monitor international and domestic developments and align monetary policy accordingly.

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