

RESERVE BANK OF FIJI



PRESS RELEASE

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GLOBAL FINANCIAL MARKET TURMOIL

There has been unprecedented developments in the global financial markets in recent weeks. The financial market problems which began in US has spread rapidly to other economies. These include Europe, Asia, South America including Australia and New Zealand.

In view of some concerns by the business community on any impact on Fiji, the Deputy Governor of Reserve Bank of Fiji, Mr Sada Reddy issued the following statement:

“The global financial crisis is still unfolding and is difficult to forecast what the exact impact of these developments will be on small island countries such as Fiji. However, it is quite probable that the global economic slowdown may affect to some extent the demand for our exports and services, including tourism.

However, there are some positive developments as well in terms of the fall in oil prices. This will mean lower fuel prices in coming months and this in turn may slowdown the high inflation rate we have been experiencing so far this year.

On any possible impact on Fiji’s financial system, Mr Reddy said that Fiji’s banks are to a large extent insulated from the global financial markets and therefore we do not expect any major issues for our banks and insurance companies.

The parents of Fiji’s banks are well capitalized and stable based on information from the regulators of the parents of our branch bank operations.”

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