



RESERVED



OF • FIJI

"VUVALE...THE NEW PARADIGM"

**JOINT FIJI AUSTRALIA BUSINESS COUNCIL &
AUSTRALIA FIJI BUSINESS COUNCIL FORUM 2022**

Presentation by the Governor of the Reserve Bank of Fiji
02 September 2022

Vuvale Partnership



“Someone sitting in the shade today is because someone planted a tree a long time ago”

Where We Were...



Where We Are Now...



Anchored by the Vuvale partnership



Over 1 million doses of COVID-19 vaccines provided.



Support Fiji's access to multilateral loans.



\$290m aid provided in the last 2 years.



Access to Pacific Labour Scheme.



Humanitarian Support.



Reopening International Borders.

AUS & FIJI

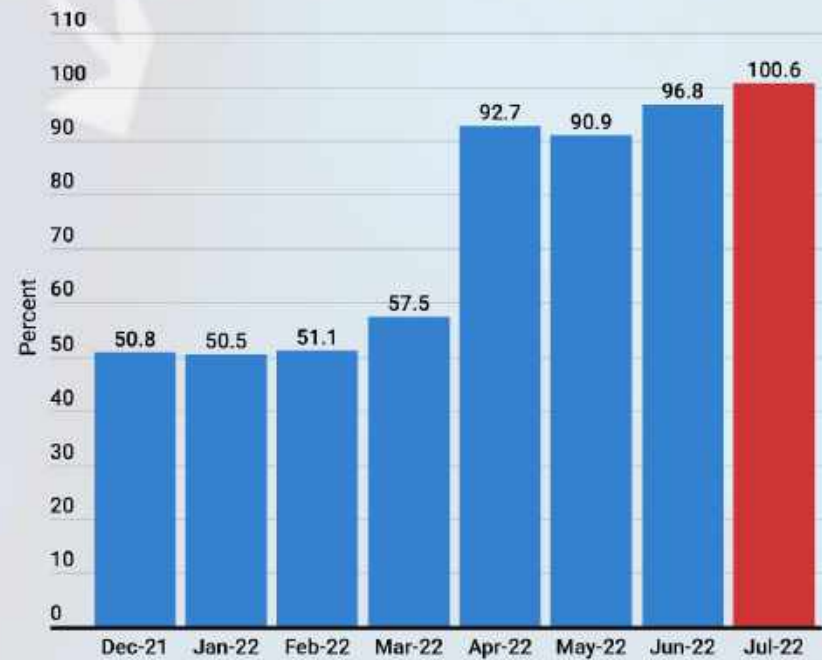


Largest contributor to Tourism recovery

Australians make up majority of arrivals

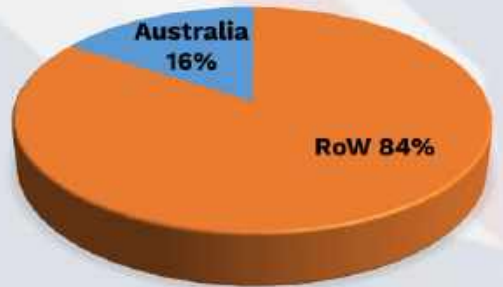


Australian arrivals as a percentage of 2019

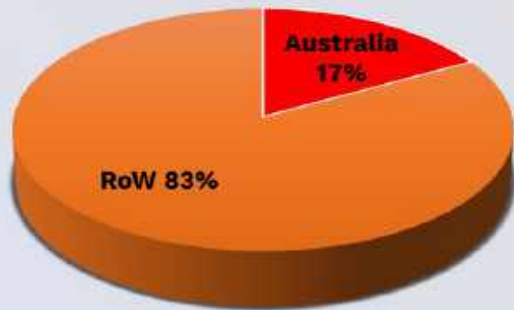


Australia is Fiji's largest trading partner

Merchandise Exports



Merchandise Imports



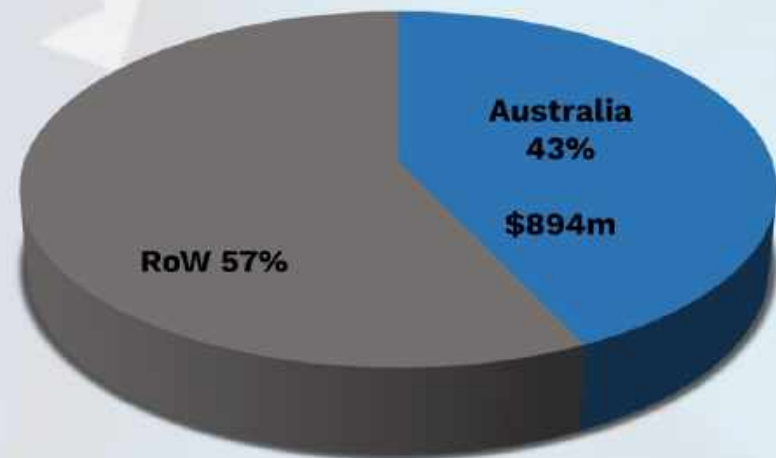
2019
Two-way Trade



\$1.2 billion

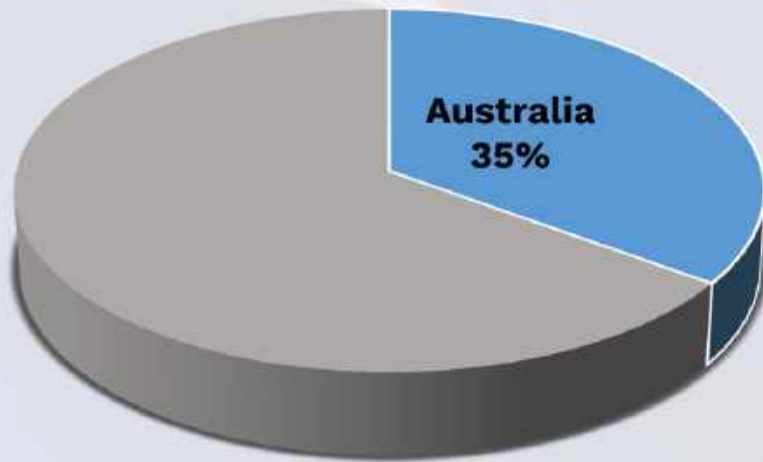
\$568.7m Surplus

Australia is the largest contributor towards tourism earnings

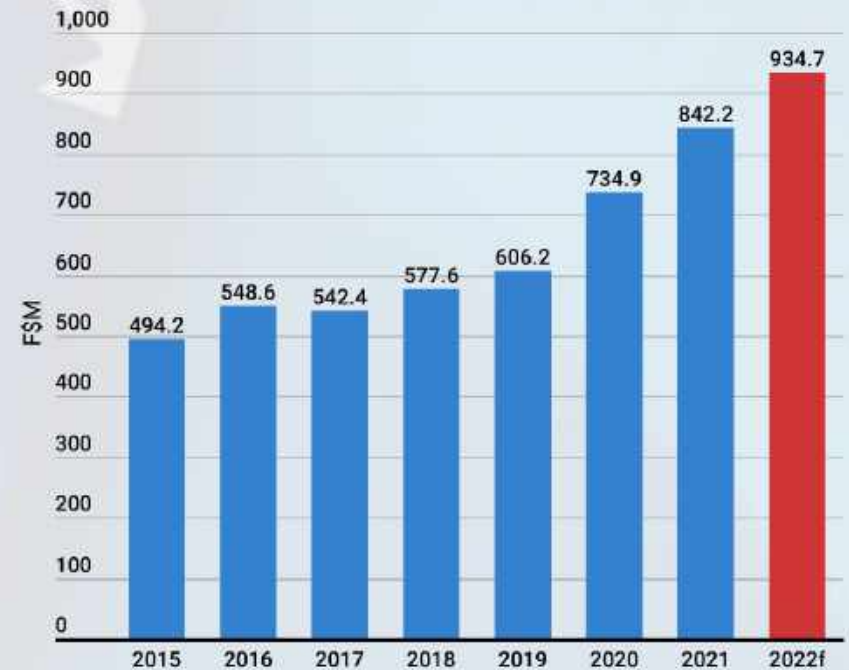


Australia is a key source market for remittances

Remittances from Australia make up around \$300m



Remittances is expected to rise further this year



Our Contribution



Talented Athletes



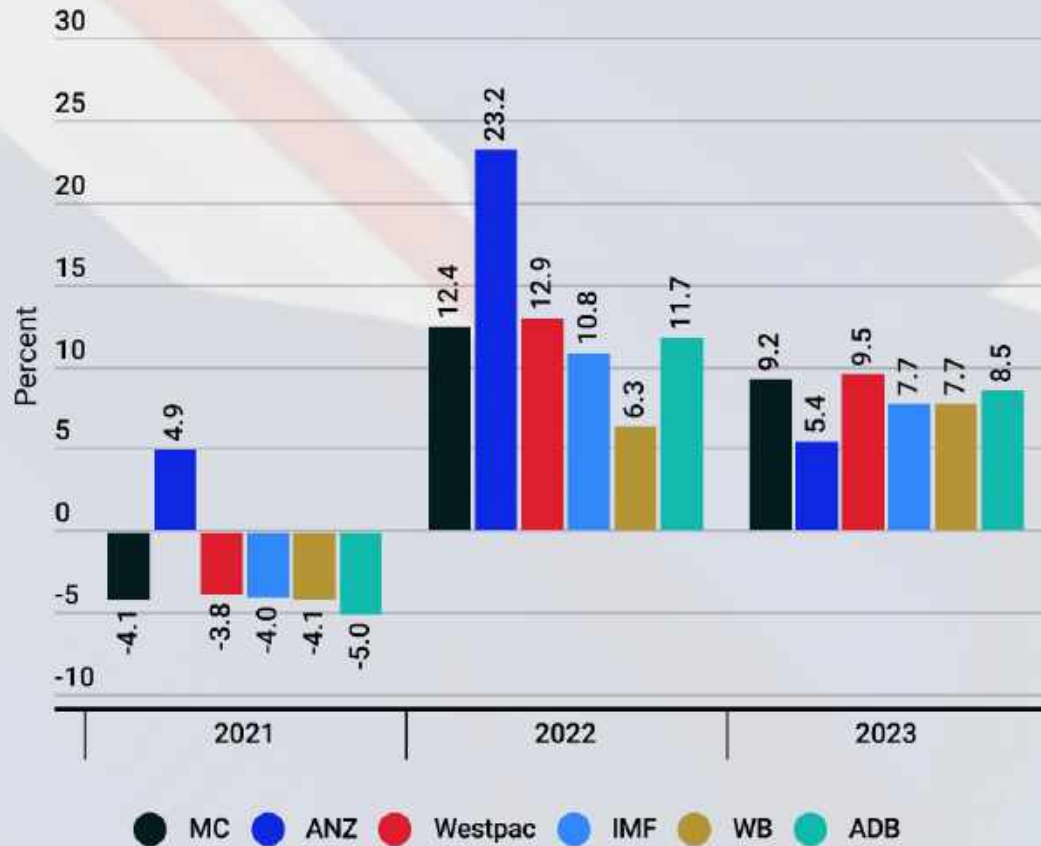
Labour Export



**\$1B of foreign reserves
invested in AUD**



Growth outlook varies but prospects are positive



WORLD BANK



Most recent economic indicators continue to improve...



Visitor Arrivals
Jul-22: +4,470%



New Lending:
Jul-22: **New Consumption**
+58.8%



Remittances
Jul-22: +22.3%



Mineral Water
Jul-22: +51.3%



Jul-22
PAYE: +13.2%
Domestic VAT: +47.4%



Job Ads
Jul-22: +226.1%



Jul-22
Generation: +14.6%



Mahogany
Jul-22: +46.8%



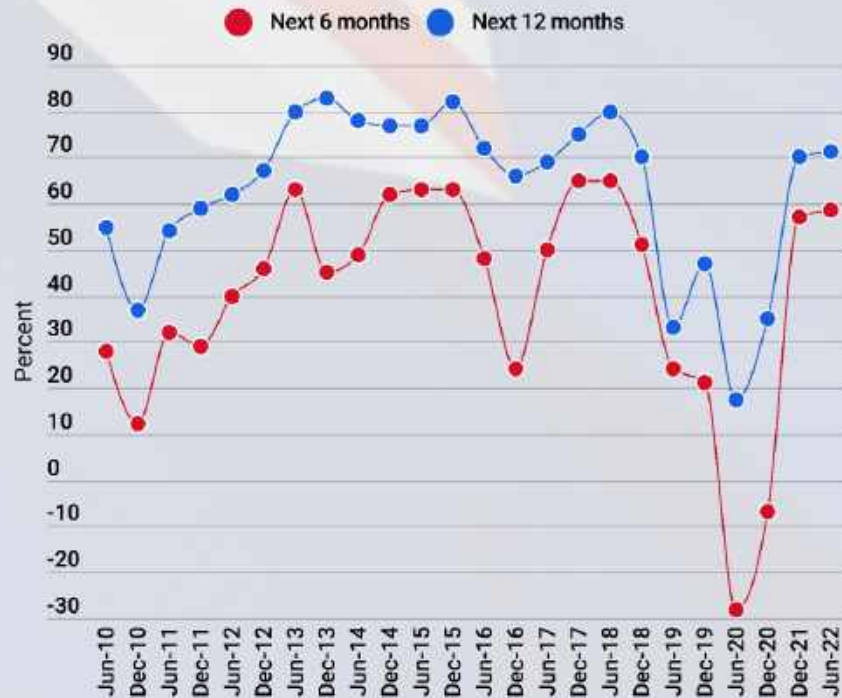
Jul-22
New Vehicle Sales: +61.4%



May-22
Imports: +47.3%
Exports: +4.2%

Overall business sentiments have improved in 2022

RBF June Business Expectations Survey



RBF June Retail Sales Survey

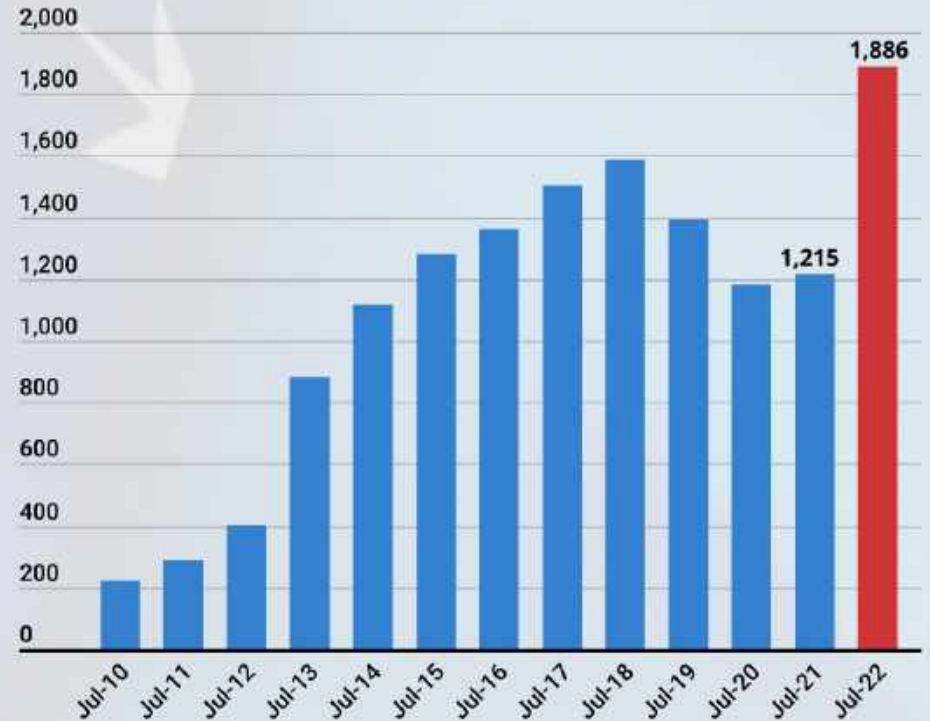


Lending activity continues to support recovery

Private Sector Credit



New lending activity at record high



Challenges & Issues



Challenges & Issues



Unemployment



Skills Gap



Low growth in exports



Natural disasters and climate change



Ease of Doing Business



Lack of Economic Diversification

How has the Vuvale partnership assisted?



Contributed to Fiji's macro-economic stability.



Support Fiji's access to multilateral loans.



Direct and indirect support for various structural reforms.



Investment in technology (Telstra) and support to the BPO sector.



Capacity building through PALM, sports, scholarships and training.

Macroeconomic stability will support recovery, however elevated inflationary pressures are a concern

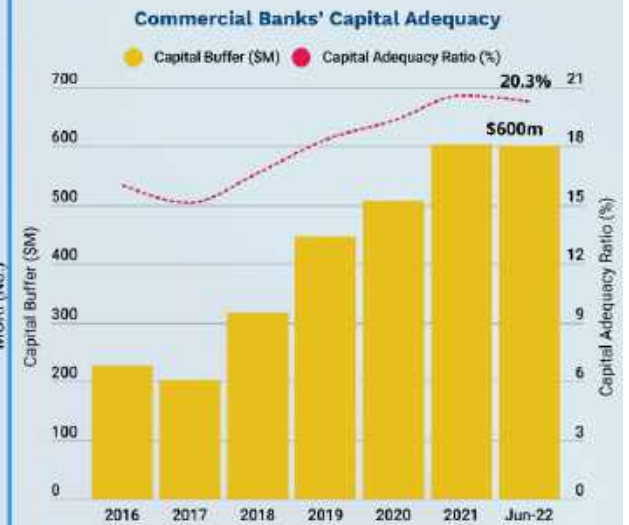
Price Stability



External Stability



Financial System Stability



Summary



Australia- Fiji relationship is strong.



The Vuvale partnership has been critical to Fiji's recovery.



Worst of the pandemic possibly behind us.



Fiji's recovery is on track and prospects are favourable.



Macroeconomic stability intact.



Economic sentiments have improved for the near-term.



Tourism has rebounded strongly.



Positive sectoral developments and pick-up in consumption and lending activity.



"Fiji and Australia's Vuvale Partnership will unfold new opportunities for cooperation in shared priorities, particularly in achieving resilient economies, addressing climate change and advancing regional peace and security."

~ Hon J Bainimarama



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