



ANNUAL MEETINGS
2018 | indonesia
INTERNATIONAL MONETARY FUND
WORLD BANK GROUP

Governor's Statement No. 19

October 12, 2018

Statement by the Hon. **MAKERETA KONROTE**,
Governor of the Bank for **THE REPUBLIC OF FIJI**

**Statement by the Hon. Makereta Konrote,
Governor of the Bank for the Republic of Fiji**

Mr Chairman,
Fellow Governors,
Distinguished Delegates,
Ladies and Gentlemen,

1. I am honoured to deliver this statement on behalf of the Republic of Fiji, to the annual meeting of the International Monetary Fund ('Fund') and the World Bank ('Bank'). I would like to thank both institutions for the strong leadership in promoting financial stability and supporting economic development during these challenging times.
2. On behalf of the Fijian Government and the Fijian people, I express our condolences to all those affected by the catastrophic natural disasters in Indonesia and the devastating hurricane that struck the United States recently. The heightened occurrence of natural disasters and climate change induced events is a major threat to humankind and a quick concerted global response is urgently required.
3. Mr Chairman, the special Intergovernmental Panel on Climate Change ('IPCC') report release recently is a clear warning that collectively the world needs to act swiftly to confront climate change.

Fijian Economy

4. Mr Chairman, the Fijian economy rebounded quickly after being hit by the most devastating tropical cyclone ever recorded in the Southern Hemisphere. Following a 3 percent growth last year, the Fijian economy is on track for its ninth consecutive year of positive economic growth – unprecedented in our post-independence history. Medium term growth is projected to be over 3 percent with strong aggregate demand supported by upbeat business and consumer confidence.

5. The 2018-2019 National Budget policies along with ongoing private sector investment projects and post disaster rehabilitation works is expected to add further stimulus to economic activity. External sector balances remain intact, as stronger tourism earnings and remittance inflows along with higher foreign direct investments continue to offset the high demand for imported consumption and investment goods.
6. The Fijian Government is continuing to invest in modernising infrastructure, expanding connectivity and building climate resilience. We are investing in our human capital and our young people. We are empowering Fijians with more opportunities, creating more jobs and ensuring that the vulnerable and the disadvantaged are protected. Inclusivity is at the heart of our socioeconomic policy agenda.

International Monetary Fund (IMF)

7. Mr. Chairman, given the heightened risks to medium-term global growth prospects from escalating trade tensions, we support the calls for greater cooperation and leadership from the leading world economies. There is also a need to rebuild fiscal and financial buffers to enhance global financial stability and avoid any major disruptions to the global economy.
8. We welcome the major policy reviews the Fund has embarked on this year, especially on surveillance, capacity development, debt sustainability and concessional lending. Specifically, on the Review of the Fund's Facilities for Low-Income Countries ('LICs'), we are encouraged by the move to further reassess selected features of the existing facilities for discussion in early 2019, in order to make IMF engagement with LICs more effective.
9. We note the broad openness to an appropriately calibrated generalised increase in limits and norms for access to concessional financing; distinguishing temporary balance of payments needs from broader development finance requirements. Funding both ex-ante investments that help countries mitigate and adapt to the

effects of climate change, and ex-post responses to natural disasters and related emergencies underpin this increasing need for external financing.

10. We commend the recent Financial Sector Stability Review mission to Fiji for highlighting important financial regulatory issues and suggested improvements to strengthen our financial regulatory framework. We also thank the recent Enhanced General Data Dissemination System ('e-GDDS') mission for developing the national data hub which provides key macroeconomic and financial data for Fiji and increases statistical transparency. The finalisation of the National Summary Data Page is a milestone achievement making Fiji one of the first few countries in the Pacific to implement the e-GDDS.
11. We appreciate the Fund's close engagement with Fiji through the annual Article IV consultations and provision of technical assistance from both the IMF Headquarters and the Pacific Financial Technical Assistance Centre (PFTAC). Another milestone to the effective collaboration between the Fund and the Fijian authorities will be the PFTAC's 25-year anniversary later this year and we look forward to greater collaboration going forward.

World Bank

12. Mr Chairman, Fiji has maintained a strong relationship with the Bank and our partnership continues to grow. The opening of the World Bank's regional office has also strengthened collaboration not only in Fiji but with the rest of the Pacific island countries.
13. Mr Chairman, we appreciate the Bank's commitment towards the recently approved budget support program. This will strengthen our current policy reform efforts to enhance medium term fiscal sustainability, improve the business climate and strengthen climate resilience. We will work closely with the Bank in ensuring that our reform triggers are on track and delivered within the stipulated time frames.

14. We also thank the Bank for the assistance provided for the issuance of our Green Bond - the first for any developing nation. This has been a real success and we have also listed the bond on the London Stock Exchange. We are also thankful to the Bank for its continued close engagement in the areas of health, housing and insurance. The Bank's assistance in these pioneering projects will bring about far reaching improvements in the lives of all Fijians.
15. The Bank's human capital project is a great initiative, Mr Chairman, as this will guide policy makers in enhancing their human capital capabilities through investments in education, health and knowledge creation. Fiji will work together with the Bank to be part of the next assessment.
16. Mr Chairman, we re-iterate the importance of recognizing the vulnerabilities of IBRD countries to climatic events in accessing concessional funding/grants from the Bank. We are pleased that some progress has been made on this front and discussions are in advanced stages to work out an appropriate framework that would accommodate this. We look forward to a favourable outcome later this year.
17. Mr Chairman, we are pleased that Fiji has been given the chairmanship of the Small States Forum – the first for any Pacific Island Country. This is a great opportunity for us, together with the COP23 Presidency, to push for concerted action on unique challenges facing small states that are vulnerable and require urgent attention.

Conclusion

18. In closing Mr Chairman, I would like to again commend the Fund and the Bank for their continuing partnership and wish both institutions success in the year ahead.